

# BOMBARDIER INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended  
December 31, 2024

All amounts in this report are expressed in U.S. dollars, and all amounts in the tables are in millions of U.S. dollars, unless otherwise indicated.

This MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of Bombardier Inc. ("the Corporation" or "Bombardier" or "our" or "we"). This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators. The Board of Directors is responsible for ensuring that we fulfill our responsibilities for financial reporting and is ultimately responsible for reviewing and approving the MD&A. The Board of Directors carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board of Directors and is comprised entirely of independent and financially literate directors. The Audit Committee reports its findings to the Board of Directors for its consideration when it approves the MD&A and financial statements for issuance to shareholders.

The data presented in this MD&A is structured under one reportable segment: Bombardier, which is reflective of our organizational structure.

#### **IFRS and non-GAAP and other financial measures**

This MD&A contains both IFRS and non-GAAP and other financial measures. Non-GAAP and other financial measures are defined and reconciled to the most comparable IFRS measure (see the Non-GAAP and other financial measures section).

#### **Materiality for disclosures**

We determine whether information is material based on whether we believe a reasonable investor's decision to buy, sell or hold securities of the Corporation would likely be influenced or changed if the information was omitted or misstated.

Certain totals, subtotals and percentages may not agree due to rounding.

The Financial Report for fiscal year 2024 comprises the message from our President and Chief Executive Officer to shareholders, this MD&A and our consolidated financial statements.

The following table shows the abbreviations used in the MD&A and the consolidated financial statements.

Term	Description	Term	Description
ACLP	Airbus Canada Limited Partnership	GAAP	Generally accepted accounting principles
AIN	Aviation International News	GDP	Gross domestic product
bps	Basis points	IAS	International Accounting Standard(s)
CCTD	Cumulative currency translation difference	IASB	International Accounting Standards Board
CGU	Cash generating unit	IFRS	International Financial Reporting Standard(s)
DB	Defined benefit	MD&A	Management's discussion and analysis
DC	Defined contribution	MHI	Mitsubishi Heavy Industries, Ltd
DDHR	Derivative designated in a hedge relationship	n/a	Not applicable
DSU	Deferred share unit	OCI	Other comprehensive income
EBIT	Earnings (loss) before financing expense, financing income and income taxes	OEM	Original Equipment Manufacturer
EBITDA	Earnings (loss) before financing expense, financing income, income taxes, amortization and impairment charges on PP&E and intangible assets	PP&E	Property, plant and equipment
EBT	Earnings (loss) before income taxes	PSU	Performance share unit
EIS	Entry-into-service	R&D	Research and development
EPD	Environmental Product Declaration	ROIC	Return on invested capital
EPS	Earnings (loss) per share attributable to equity holders of Bombardier Inc.	RSU	Restricted share unit
FVOCI	Fair value through other comprehensive income	SAF	Sustainable Aviation Fuel
FVTP&L	Fair value through profit and loss	SG&A	Selling, general and administrative
		SOFR	Secured Overnight Financing Rate
		U.K.	United Kingdom
		U.S.	United States of America

# OVERVIEW

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# HIGHLIGHTS OF THE YEAR

## Bombardier Posts Fourth Consecutive Year of Diversified Growth and Solid Financial Performance

RESULTS			
For the fiscal years ended December 31	2024	2023	Variance
Revenues	\$ 8,665	\$ 8,046	8 %
Adjusted EBITDA <sup>(1)</sup>	\$ 1,360	\$ 1,230	11 %
Adjusted EBITDA margin <sup>(2)</sup>	15.7 %	15.3 %	40 bps
Adjusted EBIT <sup>(1)</sup>	\$ 915	\$ 799	15 %
Adjusted EBIT margin <sup>(2)</sup>	10.6 %	9.9 %	70 bps
EBIT	\$ 878	\$ 793	11 %
EBIT margin <sup>(3)</sup>	10.1 %	9.9 %	20 bps
Net income (loss) from continuing operations	\$ 370	\$ 490	\$ (120)
Net income (loss) from discontinued operations <sup>(4)</sup>	\$ —	\$ (45)	\$ 45
Net income	\$ 370	\$ 445	\$ (75)
Diluted EPS from continuing operations (in dollars)	\$ 3.40	\$ 4.70	\$ (1.30)
Diluted EPS from discontinued operations (in dollars) <sup>(4)</sup>	\$ 0.00	\$ (0.46)	\$ 0.46
	\$ 3.40	\$ 4.24	\$ (0.84)
Adjusted net income <sup>(1)</sup>	\$ 547	\$ 416	\$ 131
Adjusted EPS (in dollars) <sup>(2)</sup>	\$ 5.16	\$ 3.94	\$ 1.22
Cash flows from operating activities <sup>(5)</sup>	\$ 405	\$ 623	\$ (218)
Net additions to PP&E and intangible assets	\$ 173	\$ 366	\$ (193)
Free cash flow <sup>(1)</sup>	\$ 232	\$ 257	\$ (25)
<b>As at December 31</b>			
	<b>2024</b>	<b>2023</b>	<b>Variance</b>
Cash and cash equivalents	\$ 1,653	\$ 1,594	4 %
Available liquidity <sup>(1)</sup>	\$ 2,082	\$ 1,845	13 %
Order backlog (in billions of dollars) <sup>(6)</sup>	\$ 14.4	\$ 14.2	1 %

<sup>(1)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(2)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(3)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

<sup>(4)</sup> Discontinued operations are related to the sale of the Transportation business. The expenses recorded in discontinued operations for fiscal year 2023 principally relate to change in estimates of a provision for professional fees.

<sup>(5)</sup> Only from continuing operations.

<sup>(6)</sup> Represents order backlog for both manufacturing and Services.

## KEY HIGHLIGHTS AND EVENTS

- Revenues beat guidance and grew year-over-year to \$8.7 billion, driven by record service performance exceeding \$2.0 billion, and 146 aircraft deliveries.
- Adjusted EBITDA<sup>(1)</sup> up 11% year-over-year to \$1.36 billion, and adjusted EBITDA margin<sup>(2)</sup> reached 15.7%. Full-year reported EBIT reached \$878 million.
- Net income and adjusted net income<sup>(1)</sup> were \$370 million and \$547 million respectively. Diluted EPS<sup>(3)</sup> reached \$3.40, while adjusted EPS<sup>(2)</sup> was up 31% year-over-year, from \$3.94 to \$5.16.
- Free cash flow<sup>(1)</sup> generation of \$232 million; reported cash flows from operating activities<sup>(3)</sup> and net additions to PP&E and intangible assets were at \$405 million and \$173 million respectively.
- Backlog<sup>(4)</sup> up year-over-year to \$14.4 billion as at December 31, 2024. Unit book-to-bill<sup>(5)</sup> of 1.0 demonstrates consistent demand.
- Solid progress on deleveraging sees approximately \$400 million debt reduction<sup>(6)(7)</sup> launched in 2024, adjusted net debt to adjusted EBITDA ratio<sup>(2)</sup> was reduced from 3.3x in 2023 to 2.9x. Further balance sheet strengthening with the purchase of approximately \$635 million in annuities<sup>(8)</sup> for some pension plans. Available liquidity<sup>(1)</sup> of \$2.1 billion; cash and cash equivalents were \$1.7 billion as at December 31, 2024.
- In light of the rapidly evolving landscape stemming from the February 1, 2025 executive orders signed by the President of the United States regarding new tariffs, Bombardier has elected to defer providing guidance and 2025 objectives<sup>(9)</sup>.

### Update on 2025 Outlook

On February 1, 2025, the President of the United States issued three executive orders directing the United States to impose new tariffs on imports originating from Canada, Mexico and China. These orders call for additional 25% duty on imports into the United States of Canadian-origin and Mexican-origin products and 10% duty on Chinese-origin products, except for Canadian energy resources that are subject to an additional 10% duty.

In light of the rapidly evolving schedule for tariff implementation and the effects they may have, Bombardier has elected to defer providing guidance and 2025 objectives<sup>(9)</sup>, until the Corporation has had the opportunity to further assess the direct and indirect impacts to its business of such tariffs, retaliatory tariffs or other trade protectionist measures implemented as this situation develops. Bombardier's long-term priorities and strategic orientation remain intact, including plans for continuing growth in its Defense and Services businesses and continued de-leveraging.

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<sup>(3)</sup> Only from continuing operations.

<sup>(4)</sup> Represents order backlog for both manufacturing and Services.

<sup>(5)</sup> Defined as net new aircraft orders in units over aircraft deliveries in units.

<sup>(6)</sup> Using cash from the balance sheet.

<sup>(7)</sup> Including the partial repayment of \$300 million of the Senior Notes due 2027 completed in January 2025.

<sup>(8)</sup> In 2024, approximately \$635 million of annuities were purchased for some pensioners and beneficiaries of the Bombardier pension plans registered in Québec, with legal discharge occurring in 2025.

<sup>(9)</sup> Refer to the Strategic Priorities and Investor Day Recap sections in the MD&A of the Corporation's financial report for the six-month period ended June 30, 2024 for the most recent discussion of the 2025 Objectives.

## Unveiling new corporate brand identity and strong future growth potential at Investor Day 2024<sup>(1)</sup>

On May 1, 2024, at its Investor Day event held at the newly opened Aircraft Assembly Center at Pearson Airport in Toronto, Bombardier highlighted its strong performance since 2020 and outlined its growth strategies for 2030. The company shared progress on key initiatives, including the expansion of Bombardier Defense, continued growth in Services, and increased involvement in the pre-owned market. Additionally, Bombardier reaffirmed its focus on sustainability, operational excellence, and product innovations, while prioritizing business initiatives that generate high ROIC, aimed at diversifying revenue streams and enhancing business resilience. The event also provided an opportunity to showcase Bombardier's corporate brand, highlighting the company's continued evolution and its strategic direction moving forward.

## Continued focus on deleveraging, reinforcing financial flexibility

In 2024, Bombardier refinanced \$1.5 billion, extended maturities, and used cash from its balance sheet to reduce its debt by approximately \$400 million, including a partial repayment of \$300 million of Senior Notes due 2027 completed in January 2025, resulting in a total debt reduction of \$4.9 billion<sup>(2)</sup> since December 31, 2020, significantly strengthening its financial position. The adjusted net debt to adjusted EBITDA ratio<sup>(3)</sup> improved from 41.5 at the end of 2020 to 2.9 by December 31, 2024, reflecting a 93% decrease. As of December 31, 2024, adjusted net debt<sup>(4)</sup> is \$3.9 billion with no debt maturities until 2026. On May 2, 2024, Moody's upgraded Bombardier's rating from B2 to B1 with a stable outlook, reflecting the company's strong performance during its transformation. On June 6, 2024, S&P Global Ratings also upgraded Bombardier's rating from B to B+ with stable outlook, citing continued deleveraging initiatives. In October, Bombardier increased its revolving credit facility by \$150 million to \$450 million, further strengthening its financial flexibility and liquidity management. In addition to the debt management and liquidity optimization initiatives, the company has been actively purchasing annuities from insurance companies to ease pension plan obligations, transferring the associated risks to the insurers. Since 2020, Bombardier has purchased approximately \$1.0 billion in pension plan annuities<sup>(5)</sup> as part of its ongoing risk management strategy.

## Record year and ongoing growth in Services

In 2024, Bombardier continued to enhance its global customer service network while expanding and operationalizing its global service centers. The company's Services achieved an impressive compounded annual growth rate (CAGR) of close to 20% in revenue from 2020 to 2024, exceeding \$2.0 billion in 2024. This strong performance reflects the success of its expansion strategy, which was further validated by being voted #1 in customer support among competitors in the influential Product Support Survey published annually by trade publication Aviation International News (AIN), recognized for its faster response times and unmatched support. On February 19, 2024, Bombardier introduced a new *Smart Services* offerings for Defense customers, featuring customizable maintenance options. This expanded *Smart Services* program builds on Bombardier's existing portfolio, providing Defense's special mission, medevac, head-of-state, and government operators with a comprehensive cost-per-flight-hour solution.

## Bombardier delivered 100th Challenger 3500

On October 31, 2024, Bombardier celebrated the 100th delivery of the *Challenger 3500* aircraft, marking a continued success for its best-selling platform. With this delivery, the *Challenger 3500* became the fastest aircraft to reach 100 deliveries in the super-midsize category. This significant milestone highlighted the broad appeal of the latest evolution of the *Challenger* family, offering the ideal combination of performance, comfort, and reliability. The achievement also underscored the strategic importance of the super-midsize category to Bombardier's market position.

<sup>(1)</sup> See the forward-looking statements disclaimer in the Overview section of this MD&A.

<sup>(2)</sup> Represents the notional amount of the long-term debt repaid.

<sup>(3)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

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<sup>(5)</sup> In 2024, approximately \$635 million of annuities were purchased for some pensioners and beneficiaries of the Bombardier pension plans registered in Québec, with legal discharge occurring in 2025.

### **Bombardier continues growing its Defense business**

In 2024, Bombardier Defense expanded its operations, drawing on decades of experience with special mission operators and further solidifying its reputation as a partner of choice in the defense sector. On May 21, 2024, Bombardier Defense opened new offices in Australia, strengthening its presence and expanding its reach in the region. On October 23, 2024, Bombardier Defense, HENSOLDT and Lufthansa Technik Defense announced that the Persistent German Airborne Surveillance System (PEGASUS) aircraft has completed its first flight out of Bombardier's facility in Wichita, Kansas. Led by HENSOLDT, PEGASUS is an airborne missionized platform that will integrate the Kalætron Integral SIGINT system to perform highly critical signal surveillance missions for the German armed forces. Additionally, on October 31, 2024, Bombardier Defense delivered the eighth Bombardier *Global* aircraft to the United States Air Force for the Battlefield Airborne Communications Node (BACN) program. On November 25, 2024, Bombardier delivered the first *Global 6500* aircraft to the U.S. Army's High Accuracy Detection and Exploitation System (HADES) Program.

### **Milestones in sustainable aviation**

In January 2024, Bombardier unveiled the University of Victoria as the first announced academic partnership in the pan-Canadian EcoJet research project. The EcoJet research project aims at maturing and delivering technologies to reduce aircraft CO<sub>2</sub> emissions by up to 50% through a combination of advanced aerodynamic shapes and features and emerging low-emissions propulsion and fuel systems. In April 2024, Bombardier published an EPD<sup>®</sup> for its *Challenger 650* jet which was the crowning milestone to Bombardier's commitment of developing and publishing EPDs<sup>®</sup> for all its aircraft in production by 2025. EPDs<sup>®</sup> are an integral part of Bombardier's strategy toward a more sustainable business aviation company. Bombardier's *Challenger 650* aircraft joined the *Challenger 3500*, *Global 5500*, *Global 6500* and *Global 7500* aircraft as the only business jets in the world to carry an EPD<sup>®</sup>. Bombardier is the only business jet manufacturer to disclose the scientifically analyzed environmental impact of its entire in production product portfolio.

# STRATEGIC PRIORITIES<sup>(1)</sup>

During its May 1st, 2024 Investor Day, Bombardier outlined key strategic levers aimed at fostering future growth, signaling a shift towards its next stage of growth beyond 2025. Bombardier highlighted key strategic initiatives in its Services, Defense and Pre-owned aircraft businesses aimed at diversifying revenues, increasing business predictability, and improving profitability, with the potential that these businesses could total 50% of the Corporation's revenues by 2030.

## **Upward momentum in the Services business**

The Corporation's Services business has delivered its objective of reaching Services revenues of \$2.0 billion in 2024, one year ahead of schedule. Bombardier expects continued mid to high single-digit annual growth in this segment through 2030, driven by expansion in the aircraft fleet, fleet aging, a trend towards larger aircraft, and increased market presence.

## **Bombardier Defense retains strategic importance**

The growth of Bombardier Defense remains pivotal, with the Defense portfolio poised to achieve revenues ranging from \$1.0 to \$1.5 billion by 2030. Bombardier expects to secure its share of the global demand for approximately 375 aircraft representing \$25 to \$40 billion<sup>(2)</sup> over the next decade<sup>(3)</sup>, encompassing aircraft sales and modification works. This underscores Bombardier's evolving role as a trusted partner among military operators.

## **Expanding presence in the pre-owned market**

The Corporation is concentrating on expanding its presence in the pre-owned market, which represents a consistent revenue stream. Bombardier anticipates potential revenues of \$500 million to \$1.0 billion from this market segment by 2030.

## **Stronger balance sheet and robust cash generation**

The Corporation remains committed to strengthen its financial position by focusing on its balance sheet, optimizing liquidity, and progressing towards its objective to achieve an adjusted net debt to adjusted EBITDA ratio<sup>(4)</sup> within a targeted range of 2.0x to 2.5x. Bombardier will continue to focus on strengthening its balance sheet and improving its capital structure in the future.

## **Deploying capital allocation framework beyond 2025**

During its Investor Day, Bombardier presented its ROIC-focused capital allocation framework, emphasizing disciplined deployment of excess liquidity within its capital structure, and to support both inorganic growth initiatives and enhancements to its product lineup. The Corporation's commitment and actions are aligned with creating shareholder value and ensuring the long-term success of Bombardier.

<sup>(1)</sup> This Strategic Priorities section includes a number of forward-looking statements. See the forward-looking statements disclaimer in the Overview section of this MD&A.

<sup>(2)</sup> Excludes Services spend.

<sup>(3)</sup> Source: Bombardier analysis.

<sup>(4)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

# KEY PERFORMANCE MEASURES AND METRICS

The table below summarizes key performance measures and associated metrics evaluated.

KEY PERFORMANCE MEASURES AND ASSOCIATED METRICS	
GROWTH AND COMPETITIVE POSITIONING	<ul style="list-style-type: none"> <li>Order backlog<sup>(1)</sup>, as a measure of future revenues.</li> <li>Revenues and delivery units, as measures of growth.</li> <li>Market share (in terms of revenues and units delivered), as a measure of our competitive positioning.</li> </ul>
PROFITABILITY	<ul style="list-style-type: none"> <li>Net income (loss), adjusted net income (loss)<sup>(2)</sup>, EBIT, EBIT margin<sup>(3)</sup>, adjusted EBIT<sup>(2)</sup>, adjusted EBIT margin<sup>(4)</sup>, adjusted EBITDA<sup>(2)</sup>, adjusted EBITDA margin<sup>(4)</sup>, diluted EPS and adjusted EPS<sup>(4)</sup>, as measures of performance.</li> </ul>
LIQUIDITY	<ul style="list-style-type: none"> <li>Free cash flow<sup>(2)</sup>, as a measure of liquidity generation.</li> <li>Cash and cash equivalents and available liquidity<sup>(2)(5)</sup>, as measures of liquidity adequacy.</li> </ul>
CAPITAL STRUCTURE	<ul style="list-style-type: none"> <li>Adjusted net debt<sup>(2)(5)</sup>.</li> <li>Adjusted net debt to adjusted EBITDA ratio<sup>(4)(5)</sup>.</li> </ul>
CUSTOMER SATISFACTION	<ul style="list-style-type: none"> <li>On-time aircraft deliveries, as a measure of meeting our commitment to customers.</li> <li>Fleet dispatch reliability, as a measure of our products' reliability.</li> <li>Regional availability of parts and technical expertise to support customer requests in a timely manner, as a measure of meeting customer needs for the entire life of the aircraft.</li> <li>On-time return to service and high-quality workmanship at Bombardier-owned maintenance facilities, as a measure of efficiency.</li> </ul>
EXECUTION	<ul style="list-style-type: none"> <li>Achievement of program development milestones, as a measure of flawless execution.</li> </ul>

<sup>(1)</sup> Represents order backlog for both manufacturing and Services.

<sup>(2)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(3)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

<sup>(4)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(5)</sup> Refer to Capital structure section of this MD&A for information on adjusted net debt and adjusted net debt to adjusted EBITDA ratio; refer to Liquidity and capital resources section of this MD&A for information on available liquidity.

## FIVE-YEAR SUMMARY

For the fiscal years ended December 31	2024	2023	2022	2021	2020
<b>Profitability</b>					
Revenues <sup>(1)</sup>	\$ 8,665	\$ 8,046	\$ 6,913	\$ 6,085	\$ 6,487
Adjusted EBITDA <sup>(1)(2)</sup>	\$ 1,360	\$ 1,230	\$ 930	\$ 639	\$ 197
Adjusted EBITDA margin <sup>(1)(3)</sup>	15.7 %	15.3 %	13.5 %	10.5 %	3.0 %
Adjusted EBIT <sup>(1)(2)</sup>	\$ 915	\$ 799	\$ 515	\$ 222	\$ (214)
Adjusted EBIT margin <sup>(1)(3)</sup>	10.6 %	9.9 %	7.4 %	3.6 %	(3.3)%
EBIT <sup>(1)</sup>	\$ 878	\$ 793	\$ 538	\$ 241	\$ 912
EBIT margin <sup>(1)(4)</sup>	10.1 %	9.9 %	7.8 %	4.0 %	14.1 %
Net income (loss) from continuing operations	\$ 370	\$ 490	\$ (128)	\$ (249)	\$ (170)
Net income (loss) from discontinued operations <sup>(5)</sup>	\$ —	\$ (45)	\$ (20)	\$ 5,319	\$ (398)
Net income (loss)	\$ 370	\$ 445	\$ (148)	\$ 5,070	\$ (568)
Diluted EPS (in dollars)	\$ 3.40	\$ 4.24	\$ (1.88)	\$ 50.54	\$ (9.19)
Adjusted net income (loss) <sup>(1)(2)</sup>	\$ 547	\$ 416	\$ 104	\$ (327)	\$ (1,118)
Adjusted EPS (in dollars) <sup>(1)(3)</sup>	\$ 5.16	\$ 3.94	\$ 0.77	\$ (3.67)	\$ (11.79)

(1) Only from continuing operations.

(2) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

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(5) Discontinued operations are related to the sale of the Transportation business. The expenses recorded in discontinued operations for fiscal years 2023 and 2022 principally relate to change in estimates of a provision for professional fees.

## FIVE-YEAR SUMMARY

For the fiscal years ended and as at December 31	2024	2023	2022	2021	2020
<b>Liquidity</b>					
Cash flows from operating activities					
Continuing operations	\$ 405	\$ 623	\$ 1,072	\$ 332	\$ (1,672)
Discontinued operations	\$ —	\$ —	\$ —	\$ (621)	\$ (1,149)
	\$ 405	\$ 623	\$ 1,072	\$ (289)	\$ (2,821)
Net additions to PP&E and intangible assets					
Continuing operations	\$ 173	\$ 366	\$ 337	\$ 232	\$ 221
Discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ 133
	\$ 173	\$ 366	\$ 337	\$ 232	\$ 354
Free cash flow (usage) <sup>(1)</sup>					
Continuing operations	\$ 232	\$ 257	\$ 735	\$ 100	\$ (1,893)
Discontinued operations	\$ —	\$ —	\$ —	\$ (621)	\$ (1,282)
	\$ 232	\$ 257	\$ 735	\$ (521)	\$ (3,175)
Cash and cash equivalents <sup>(2)</sup>	\$ 1,653	\$ 1,594	\$ 1,291	\$ 1,675	\$ 2,450
Current portion of long-term debt	\$ 299 <sup>(3)</sup>	\$ —	\$ —	\$ —	\$ 1,882
Long-term debt	\$ 5,246	\$ 5,607	\$ 5,980	\$ 7,047	\$ 8,193

(1) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

(2) Includes cash and cash equivalents from Transportation of \$671 million presented under Assets held for sale as of December 31, 2020.

(3) Represents the partial repayment of the Senior Notes due 2027 for an aggregate amount of \$300 million that the Corporation announced in December 2024, which was completed in January 2025.

# 2024 GUIDANCE AND FORWARD-LOOKING STATEMENTS

## 2024 Guidance and Results

	2024 guidance provided in our 2023 Financial Report <sup>(1)</sup>	2024 results
<b>Aircraft deliveries (in units)</b>	150 - 155	146
<b>Revenues</b>	\$8.4 billion - \$8.6 billion	\$8.7 billion
<b>Adjusted EBITDA<sup>(2)</sup></b>	\$1.30 billion - \$1.35 billion	\$1.36 billion
<b>Adjusted EBIT<sup>(2)</sup></b>	\$850 million - \$900 million	\$915 million
<b>EBIT</b>	n/a	\$878 million
<b>Free cash flow<sup>(2)</sup></b>	\$100 million - \$400 million	\$232 million
<b>Cash flows from operating activities</b>	n/a	\$405 million
<b>Net additions to PP&amp;E and intangible assets</b>	n/a	\$173 million

Deliveries for the year totaled 146 aircraft, below the 150 to 155 unit guidance range for 2024 mainly due to supply chain issues. Revenues for the full year of \$8.7 billion were above guidance mainly due to aircraft delivery mix, and stronger Services performance.

Full year adjusted EBITDA<sup>(2)</sup> and adjusted EBIT<sup>(2)</sup> were \$1.36 billion and \$915 million respectively, and above guidance as a result of margin conversion on higher revenues than guidance and lower costs including R&D expense, partly offset by supply chain disruption costs.

Full year free cash flow<sup>(2)</sup> generation from continuing operations was in line with guidance at \$232 million for 2024, driven by higher earnings, lower contract liabilities and higher supplier contributions to aerospace programs.

<sup>(1)</sup> Refer to our 2023 Financial Report for further details.

<sup>(2)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

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## Forward-looking Statements Disclaimer

This MD&A includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, anticipations and outlook or guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, financial performance, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of our industry; customer value; expected demand for products and services; growth strategies including, potential revenues and year-over-year growth generated therefrom; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and execution of orders in general; competitive position; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings; strength of capital profile and balance sheet, creditworthiness, credit ratings, available liquidities and capital resources, expected financial requirements, capital allocation and deployment of excess liquidity and ongoing review of strategic and financial alternatives; the introduction and anticipated results of productivity enhancements and profitability initiatives, operational efficiencies optimizing the use of our manufacturing and services facilities, cost reduction and potential future restructuring initiatives, and anticipated costs, intended benefits and timing thereof; the ability to continue business growth and cash generation; expectations, objectives and strategies regarding debt repayment, refinancing of maturities and interest cost reduction; compliance with restrictive debt covenants; expectations regarding the declaration and payment of dividends on our preferred shares; intentions and objectives for our programs, assets and operations; expectations regarding the availability of government assistance programs; the impact of new, or exacerbation of existing global health, geopolitical or military events, or international trade disputes or renegotiation of existing trade arrangements, on the foregoing and the effectiveness of our plans and measures in response thereto; and expectations regarding the strength of markets, economic downturns or recession, and inflationary and supply chain pressures.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this MD&A. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as “may”, “will”, “shall”, “can”, “expect”, “estimate”, “intend”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “maintain” or “align”, the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current objectives, strategic priorities, expectations, guidance, outlook and plans, and in obtaining a better understanding of our business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions underlying the forward-looking statements made in this MD&A include the following: alignment of production rates to market demand, including the supply base supporting our product development and production rates in a commercially acceptable and timely manner; deployment and execution of growth strategies, including our Services and Support, Pre-owned and Defense businesses; and mitigation of international trade disputes and protection measures (including tariffs) or changes to existing trade agreements. For additional information about these and other assumptions underlying the forward-looking statements made in this MD&A, refer to the Forward-looking statements - Assumptions section hereinafter. Given the impact of the changing circumstances surrounding new or continuing global health, geopolitical and military events, and new or threatened international protectionist trade policies or measures, as well as the related response from the Corporation, governments (federal, provincial and municipal, both domestic, foreign and multinational inter-governmental organizations), regulatory authorities, businesses, suppliers, customers, counterparties and third-

party service providers, there is an inherently higher degree of uncertainty associated with the Corporation's assumptions.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: operational risks (such as risks related to business development and growth; order backlog; deployment and execution of our strategy, including cost reductions and working capital improvements and manufacturing and productivity enhancement initiatives; developing new products and services, including technological innovation and disruption; the certification of products and services; pressures on cash flows and capital expenditures, including due to seasonality and cyclicity; doing business with partners; product performance warranty and casualty claim losses; environmental, health and safety concerns and regulations; dependence on a limited number of contracts, customers and suppliers; supply chain risks; human resources risks including the departure of senior executives, the global availability of a skilled workforce, and the failure to attract and retain quality employees; reliance on information systems (including technology vulnerabilities, cybersecurity threats and privacy breaches); reliance on and protection of intellectual property rights; reputation risks; scrutiny and perception gaps sustainability and corporate social responsibility matters; adequacy of insurance coverage; acquisitions; risk management; and tax matters); financing risks (such as risks related to liquidity and access to capital markets; substantial debt and interest payment requirements, including execution of debt management and interest cost reduction strategies; restrictive and financial debt covenants; retirement benefit plan risk; exposure to credit risk; and availability of government support); risks related to regulatory and legal proceedings, as well as changes in laws and regulations; risks associated with general economic conditions and disruptions, both regionally and globally, that may impact our sales and operations; business environment risks (such as risks associated with the financial condition of business aircraft customers; trade policy; increased competition; political instability and geopolitical tensions; financial and economic sanctions and trade control limitations; global climate change; and force majeure events); market risks (such as foreign currency fluctuations and changing interest rates, including our ability to hedge exposures thereto; increases in commodity prices; and inflation); and other unforeseen adverse events. For more details, see the Risks and uncertainties section in Other in this MD&A. Any one or more of the foregoing factors may be exacerbated by new or continuing global health, geopolitical or military events, or new or exacerbated international trade disputes or renegotiation of existing trade arrangements, which may have a significantly more severe impact on the Corporation's business, results of operations and financial condition than in the absence of such events.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Other risks and uncertainties not presently known to us or that we presently believe are not material could also cause actual results or events to differ materially from those expressed or implied in our forward-looking statements. The forward-looking statements set forth herein reflect management's expectations as at the date of this report and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

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## Forward-looking statements — Assumptions

Forward-looking statements<sup>(1)</sup> in this MD&A are based on and subject to, without limitation, the following material assumptions:

- normal execution and delivery of current backlog;
- the alignment of production rates to market demand, including the ability of the supply base to support product development and planned production rates on commercially acceptable terms in a timely manner;
- executing the ongoing development and entry-into-service of the *Global 8000* on cost and on target timeline;
- continued deployment and execution of growth strategies, and continued growth of the Services, Certified Pre-owned and Defense businesses;
- the ability to invest in our product portfolio;
- the accuracy of the analyses and assumptions underlying our business case including estimated cash flows and revenues over the expected life of our programs and thereafter;
- the accuracy of our estimates and judgments regarding the duration, scope and impacts of new or continuing global health, geopolitical or military events, on the economy and financial markets, and on our business, operations, revenues, liquidity, financial condition, margins, cash flows, prospects and results in future periods;
- the ability to mitigate the impact on existing and future backlog of new or exacerbated international trade disputes, tariffs, trade protection measures (including any retaliations to such measures), or renegotiation of existing trade agreements;
- the accuracy of our assessment of anticipated growth drivers and sector trends;
- the accuracy of our assessment of pricing, supply chain and inflation trends;
- new program aircraft prices, unit costs and ramp-up;
- the ability to understand customer needs and portfolio of products and services to drive market demand and secure new orders and maintain the backlog level;
- continued deployment and execution of leading initiatives to improve revenue conversion into higher earnings and free cash flow<sup>(2)</sup>, through improved procurement cost, controlled spending and labour efficiency;
- the effectiveness of disciplined capital deployment measures in new programs and products to drive revenue growth;
- the ability to recruit and retain highly skilled resources; the continued renewal of labour agreements within planned amounts and with minimal / no disruption to our operations;
- the stability of the competitive global environment, global economic conditions and financial markets in the face of new or continuing global health, geopolitical or military events;
- the stability of foreign exchange rates at current levels;
- the ability to access the capital markets, on acceptable terms, as needed or opportunistically;
- the ability to have sufficient liquidity to execute the strategic plan and to pay down long-term debt or refinance maturities; and
- the ability to successfully defend ourselves against ongoing and future legal and regulatory proceedings.

For a discussion of the material risk factors associated with the forward-looking information, refer to the Risks and uncertainties section in Other.

<sup>(1)</sup> Also refer to the forward-looking statements disclaimer of this MD&A.

<sup>(2)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

# PROFILE

## Leading business jet portfolio, with Services and Defense driving company-wide growth

We skillfully design, build, maintain and market two class-leading families of business aircraft, *Global* and *Challenger*. In addition to our industry-leading portfolio of large and medium business jets, we are also outfitting various aircraft platforms for specialized mission use through Bombardier Defense. Bombardier also boasts an extensive service and support network that helps maintain more than 5,100 in-service *Global*, *Challenger* and *Learjet*<sup>(1)</sup> aircraft across the U.S., Europe, Asia-Pacific and the Middle East. With a continuously growing international network, Bombardier's customers have been able to significantly benefit from the expansion of the company's service and support offerings. Additional support is provided thanks to world-class depots, hubs, repair facilities and mobile response teams with available aircraft parts worldwide, ensuring rapid and effective support to our customers, wherever and whenever they need it.

<sup>(1)</sup> Bombardier delivered its last *Learjet* aircraft in 2022 but continues to provide Services and Support for the *Learjet* family of aircraft.

### MARKET SEGMENT: BUSINESS AIRCRAFT

All products specifications and data hereafter are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions.

#### LARGE CATEGORY BUSINESS JETS

**Models:** *Global 8000*<sup>(1)</sup>, *Global 7500*, *Global 6500*, *Global 6000*, *Global 5500* and *Global 5000*

**Key highlights:** Expertly designed to leave a lasting impression, the flagship *Global* aircraft family covers the large jet category with six aircraft models. In 2022, Bombardier unveiled its newest member, the *Global 8000* aircraft. The jet, set to enter service in 2025, stands alone as the world's fastest and longest-range purpose-built business jet, innovatively crafted with the smoothest ride and the industry's healthiest cabin. With a top speed of Mach 0.94, the *Global 8000* is the fastest business jet in the skies. In 2024, Bombardier celebrated the delivery of its 200<sup>th</sup> *Global 7500* aircraft. The industry-defining business jet has surpassed 200,000 flight hours, underscoring its status as business aviation's most reliable and productive business jet. The aircraft now boasts more than 75 impressive city-pair speed records<sup>(2)</sup>.



*Global 8000* aircraft

Since its entry-into-service in 2018, the segment-defining *Global 7500* aircraft has proven to be the highest performing business aircraft in service today, boasting a fleet dispatch reliability of more than 99.8%. It is also the first business jet to receive an EPD<sup>®(3)</sup>. The *Global 7500* aircraft set more speed records than any aircraft in its class having flown more than 75 city-pair speed record missions on a number of key routes<sup>(2)</sup>. Its four-zone cabin includes a full crew-rest area and provides an unprecedented array of floor plans and furnishing options.

Featuring a revolutionary wing design and efficient Rolls Royce Pearl engines, Bombardier's *Global 5500* and *Global 6500* aircraft boast farthest-in-class ranges, offering unrivalled performance and unsurpassed passenger comfort, all at exceptional operating costs. Both aircraft received their EPD<sup>®(3)</sup> in 2023.

All *Global* aircraft are specially engineered to deliver the industry's ultimate combination of speed and range, thanks in large part to the *Smooth Flëx Wing*, engineered to provide the smoothest ride and uncompromising all-weather performance. *Global* aircraft also come equipped with Bombardier's *Pür Air* system. This system includes an advanced HEPA filter that captures up to 99.99% of allergens, bacteria and viruses while completely replacing the cabin air with 100% fresh air in as little as 90 seconds. In addition, the industry's fastest in-flight internet connectivity, combined with comprehensive cabin management systems, keeps passengers entertained and connected, while the revolutionary *Nuage* seating provides the optimal seating and resting positions.

- (1) The *Global 8000* aircraft is currently under development and remains to be finalized and certified. All specifications and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. It is expected to enter service in 2025.
- (2) Speeds and distances referenced per FAI guidelines. Some records pending review by FAI, the World Air Sports Federation.
- (3) The International EPD® System is an environmental declaration program based in Sweden. It discloses fully transparent environmental information about the product's life cycle, such as CO2 emissions, noise, water consumption and other key environmental impact indicators.

**MEDIUM CATEGORY BUSINESS JETS**

**Models:** *Challenger 3500* and *Challenger 650*

**Key highlights:** A masterful expression of high-end craftsmanship and functionality, *Challenger* aircraft feature productivity-enhancing business tools, with the most comfortable cabins in its category. All *Challenger* aircraft offer low operating costs, high reliability and the ultimate in-flight experience with industry-leading connectivity.



*Challenger 3500* aircraft

The super-mid-size *Challenger 3500* aircraft, an update to Bombardier's bestselling *Challenger 350* platform, has not only proven to be the right answer to customers' evolving needs but also continues the platform's 10-year streak as the most delivered super mid-size aircraft. The aircraft program celebrated its 100<sup>th</sup> delivery in 2024 and represents the ultimate combination of sustainability, performance and reliability. It features the most technologically advanced cabin in its class that introduces productivity enhancing features such as the industry's first voice-controlled cabin, as well as superior connectivity with global coverage. Bombardier's revolutionary *Nuage* seat adds to the in-flight comfort. The elegant and intuitively designed *Challenger 3500* cabin received the 2022 Red Dot: "Best of the Best" Award: Product Design.

The *Challenger 3500* is the most sustainably designed jet in its class. It is the first super mid-size jet with an EPD® and the first business jet to achieve a carbon neutral flight test program. It also offers high-quality, sustainable cabin material options and introduces technology in the cockpit to help operators fly more efficiently and reduce carbon emissions.



The luxurious, award-winning cabin of a *Challenger 3500* aircraft

The larger aircraft in Bombardier's *Challenger* family, the *Challenger 650*, continues to be a popular choice with customers, particularly corporations and fleet operators. Its winning combination of peak reliability, worldwide reach, widest-in-class cabin and lowest direct operating costs has made it the best-selling platform in its category, with over 1,000 deliveries and counting. Customers appreciate its 4,000 nautical mile range and ability to operate even in challenging airports such as Aspen or London City. Its spacious, productivity-minded cabin offers available seating for up to 12 passengers.



*Challenger 650* aircraft are famous for their spacious and elegant cabins.

The *Challenger 600* series has been the most delivered business jet platform in its segment for the last decade. The platform is also in high demand for specialized missions: there are more specialized *Challenger 600* series aircraft in operation than all direct competitors combined.

## BOMBARDIER DEFENSE

**Models:** *Challenger* and *Global* business jets

**Key highlights:** Bombardier Defense designs, develops and delivers a range of capabilities to operators around the world.

Bombardier Defense has delivered over 500 specialized aircraft worldwide to over 170 operators located in more than 50 countries.

Decades of experience working with special mission operators and its diverse fleet of business aircraft platforms make Bombardier's *Global* and *Challenger* aircraft the ideal solution for special-mission solutions, from surveillance and reconnaissance to urgent humanitarian assistance, medical evacuations and VIP transport. Solutions range from turnkey packages of complete design, building, testing and certification to specialized engineering support and technical oversight of customer projects.

## BOMBARDIER'S PRE-OWNED AIRCRAFT OFFERINGS

**Models:** *Learjet*, *Challenger* and *Global* business jets

**Key highlights:** Conscious that every customer has unique needs, Bombardier offers a complete pre-owned services umbrella, including customizable products and programs for buyers. Bombardier's Pre-owned segment now includes four possible options for customers: a premium class of pre-owned products (Certified Pre-owned (CPO) aircraft), light refurbishments, broker agreements and client-directed acquisitions.

Launched in 2021, Bombardier's CPO aircraft program continues to provide a premium class of pre-owned aircraft, harnessing Bombardier's product knowledge, as well as its world-renowned refurbishment capabilities and valuation know-how. For buyers seeking a "like-new" experience, Bombardier's CPO aircraft program delivers aircraft equipped with the latest safety and cabin enhancements, all while providing the new aircraft delivery experience customers are looking for. Each available aircraft is meticulously selected, inspected and updated to adhere to Bombardier's highest quality and safety standards.

Bombardier has successfully delivered platforms for intelligence, surveillance and reconnaissance (ISR) missions and is becoming the service provider of choice for multiple armed forces and foreign allies.



Every CPO aircraft is backed by an exclusive manufacturer one-year warranty<sup>(1)</sup> which extends to operational support during the first year, just like with any new Bombardier aircraft.

<sup>(1)</sup> One-year warranty on the airframe. Certain conditions apply.



## MARKET SEGMENT: SERVICES AND SUPPORT

### WORLDWIDE SUPPORT

**Services portfolio:** Extensive, worldwide capabilities to maximize scheduled maintenance as well as value-added packages, including refurbishment and modification of business aircraft, and component repair and overhaul services. Through OEM expertise, a wide variety of services can be performed in house, as well as by dispatching mobile response teams to customers' aircraft.

**Key highlights:** Bombardier offers worldwide service and support with 10 service centers, 9 line maintenance stations, Mobile Response Teams (MRT) and network of 16 authorized service facilities that support customers with aircraft-on-ground (AOG) resolutions.

Bombardier's customer centric mindset is at the core of our Services and Support operations and is backed by the company's long-standing commitment to operational excellence. In 2024, Bombardier ranked #1 among business jet manufacturers for customer support<sup>(1)</sup>.

### CONVENIENT SERVICE SOLUTIONS

**Services portfolio:** Bombardier provides manufacturer-approved parts backed by an industry-leading two-year warranty, as well as repairs to customer owned parts. A growing portfolio of innovative cost-per-flight-hour parts and maintenance plans are also available for Bombardier's *Learjet*, *Challenger* and *Global* aircraft. Options include Bombardier's industry-defining *Smart Services* offering, which can be tailored to include landing gear overhaul and unscheduled maintenance coverage, among other selections.

**Key highlights:** Bombardier offers 24/7 parts support with parts facilities worldwide anchored by two major hubs in Chicago and Frankfurt, as well as four regional depots. A sophisticated inventory management system ensures worldwide parts availability throughout the depot and hub network, as well as the wholly-owned service centers. Repair facilities in North America and Europe provide repair services on customer-owned parts. A network of aircraft is available to shuttle in parts to support AOG requirements.

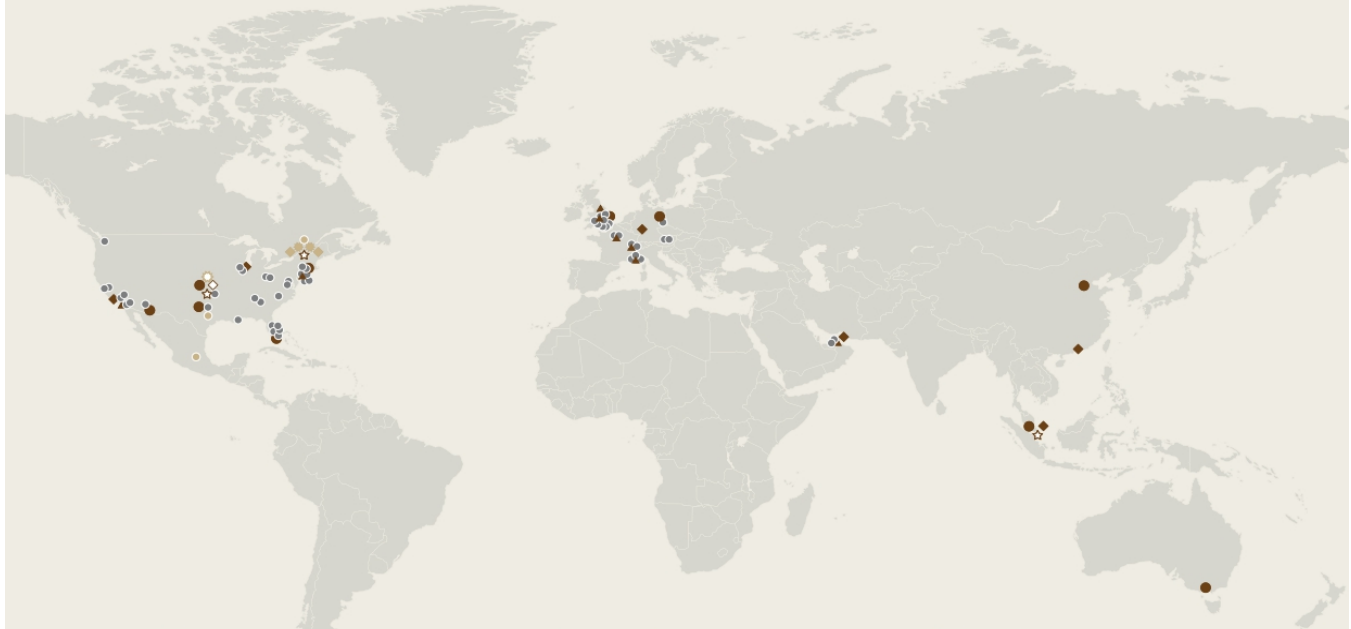
### 24/7 CUSTOMER ASSISTANCE

**Services portfolio:** Bombardier's comprehensive customer support network includes 24-hour customer response centers, enhanced online service tools, customer services engineering, MRT trucks, structural repair, technical publications and EIS support.

**Key highlights:** Bombardier provides operators with a single point of contact, 24 hours a day, 365 days a year, for all critical AOG requests. The company also supports all customer requirements from EIS throughout ownership of the aircraft by leveraging a global support network of strategically located teams. In 2022, Bombardier significantly enhanced its customer support footprint around the world with the inauguration of expanded service centers in Singapore and London - Biggin Hill, and the opening of new facilities in Miami - Opa Locka and Melbourne, Australia. Since then, the company has expanded its mobile response offerings, added a Line Maintenance Station and improved its Customer Response Center capabilities. This extensive service and support transformation underscores Bombardier's ongoing commitment to providing the most comprehensive onsite, mobile and AOG resolution services in the industry.

<sup>(1)</sup> Bombardier ranked #1 in Aviation International News Product Support Survey for 2024.

# Bombardier Worldwide



## ● Aerostructures

Montreal, QC  
Red Oak, TX  
Queretaro, Mexico

## ◆ Assembly

Dorval, QC  
Toronto, ON

## ● Completion

Dorval, QC  
Pointe-Claire, QC

## ○ Bombardier Defense & Bombardier Flight Test Center

Wichita, KS

## ● Service Centers

### AMERICAS

Dallas, TX  
Hartford, CT  
Miami Opa Locka, FL  
Tucson, AZ  
Wichita, KS

### ASIA PACIFIC

Melbourne, Australia  
Singapore  
Tianjin, China (joint venture)

### EUROPE

Berlin, Germany  
London - Biggin Hill, United Kingdom

## ☆ Customer Response Centers

Montreal, QC  
Singapore  
Wichita, KS

## ● Mobile Response Teams

### AMERICAS

Atlanta, GA  
Charlotte, NC  
Chattanooga, TN  
Chicago, IL (2)  
Columbus, OH (2)  
Dulles, WA (2)  
Fort Lauderdale, FL (2)  
Fort Worth, TX  
Hartford, CT (2)  
New Orleans, LA  
Orlando, FL (2)  
San Francisco, CA (2)  
Santa Ana, CA (2)  
Scottsdale, AZ  
Seattle, WA  
Teterboro, NJ (3)  
Tulsa, OK  
Van Nuys, CA (2)  
West Palm Beach, FL  
White Plains, NY

### EUROPE

Farnborough, United Kingdom (2)  
Geneva, Switzerland (2)  
Linz, Austria (2)  
London - Biggin Hill, United Kingdom (3)  
Luton, United Kingdom (3)  
Nice, France (3)  
Paris, France (2)  
MIDDLE EAST  
Dubai, UAE (2)

## ▲ Line Maintenance Stations

AMERICAS  
Teterboro, NJ  
Van Nuys, CA

### EUROPE

Farnborough, United Kingdom  
Geneva, Switzerland  
Linz, Austria  
Luton, United Kingdom  
Nice, France  
Paris, France  
MIDDLE EAST  
Dubai, UAE

## ◇ Component Repair & Overhaul Facility

Wichita, KS

## ◆ Aircraft Parts Facilities

AMERICAS  
Chicago, IL  
San Luis Obispo, CA

### ASIA PACIFIC

Hong Kong, China  
Singapore

### EUROPE

Frankfurt, Germany

### MIDDLE EAST

Dubai, UAE

16 Authorized Service Facilities around the world

Information on this page reflects Bombardier's worldwide presence at the end of Q4 2024.

# INDUSTRY AND ECONOMIC ENVIRONMENT

## Performant and resilient industry driven by strong activity and healthy backlog

In 2024, business aviation indicators showed positive trends following the impressive recovery after the global pandemic. Inventory level in the pre-owned aircraft market grew but remained significantly below historical levels, flight activity for the industry remained comparable to 2023 and the industry continued to maintain a healthy backlog. Overall, business aviation remained favorable and resilient throughout 2024 despite continued supply chain constraints and a moderating overall global economic growth. As inflation continues to fall worldwide and global GDP growth expected to be at 2.8% for 2025, central banks are expected to continue cutting interest rates to make monetary policy less restrictive<sup>(1)</sup>. This will be positive for the business aviation industry, and combined with a healthy 24-month industry backlog on average, should support continued growth in industry deliveries for 2025.

Business jet flight hours remained stable year-over-year compared to 2023 with a 0.1% increase<sup>(2)</sup>. Bombardier aircraft flight hours followed the trend but performed slightly better than the industry with a 0.5% increase<sup>(2)</sup>. Bombardier aircraft flight hours for the fleet operators increased by 6.4% year-over-year compared to 2023<sup>(2)</sup>. Regionally, industry flight hours for aircraft departing North America, South America and the Caribbeans increased by 0.7%, when compared to 2023<sup>(2)</sup>. For aircraft departing Europe, Middle East and Africa, flight hours decreased by 1.0% and for aircraft departing the Asian Pacific region flight hours also fell by 5.5%, when compared to 2023<sup>(2)</sup>. Despite the stability in the overall yearly flight hours across the industry, when comparing to its equivalent in the last pre-pandemic year, total flight hours increased by 34.8%<sup>(2)</sup>.

Again this year, the pre-owned market and its stakeholders were affected by poorer economic conditions in the market. At the end of 2024, the total number of pre-owned aircraft available for sale, expressed as a percentage of the total in-service fleet, was estimated at 7.5% compared to 6.5% at the same period in 2023<sup>(3)</sup>. While pre-owned inventory as a percentage of the total in-service fleet increased gradually since the end of 2023 by approximately one percentage point, the overall level remains well below the historical averages and should continue to favour a more balanced market. Pre-owned business jets for Bombardier's *Challenger* models as a percentage of the total *Challenger* in-service fleet remained stable in the end of 2024 at 5.8% from 5.9% last year<sup>(3)</sup>, below industry average for medium sized aircraft. Pre-owned business jets for Bombardier's *Global* models as a percentage of the total *Global* in-service fleet fell to 7.0% in the end of 2024 from 7.4% last year<sup>(3)</sup>, still above industry average for large aircraft.

Industry confidence, measured by the Barclays Business Jet Indicator, rose above the 50-point threshold of market stability and settled at 52 points in its last survey of 2024, its highest rating since Q1 2023<sup>(4)</sup>. The survey results and commentary highlighted election optimism, OEM book-to-bills and improvement in outlook for the increase in index.

Finally, the industry delivered an estimated total of 611 units in 2024, up 7% year-over-year<sup>(5)</sup>. For reference, in the last 10 years the industry delivered 570 aircraft on average.

The following key indicators are used to monitor the health of the business aviation market in the short-term:

INDICATOR	CURRENT SITUATION	STATUS
INDUSTRY CONFIDENCE	In the first nine months of 2024, the Barclays Business Jet Indicator was below the 50-point threshold of market stability. However, as of Q4 2024, the index increased by 27% since the last survey to reach 52 points <sup>(4)</sup> .	▲
CORPORATE PROFITS	Forecasted U.S. corporate profits are expected to remain strong for the remainder of 2024, with Q3 profits increasing to \$3.8 trillion for 2024, compared to \$3.7 trillion at the end of 2023 <sup>(6)</sup> .	▲
PRE-OWNED BUSINESS JETS INVENTORY LEVELS	The total number of pre-owned aircraft available for sale as a percentage of the total worldwide fleet has increased gradually throughout 2024 and is now at 7.5% <sup>(3)</sup> . It remains below the industry historical average <sup>(3)</sup> .	▶
AIRCRAFT UTILIZATION RATES	Business jet flight hours departing the Americas increased by 0.7%, departing Europe, Middle East and Africa decreased by 1.0% and departing Asia Pacific decreased by 5.5% in 2024 compared to 2023 <sup>(2)</sup> . Compared to 2019, flight hours increased for all the departure regions combined by about 34.8% <sup>(2)</sup> .	▶
AIRCRAFT SHIPMENTS AND BILLINGS	In the business aircraft market categories in which we compete, we estimate that business aircraft deliveries and revenues in 2024 increased by 7% and 17%, respectively, compared to 2023 <sup>(5)</sup> .	▲

▲ ▶ ▼ Identifies a favorable, neutral or negative status, respectively, in the market categories in which we compete, based on the current environment.

<sup>(1)</sup> According to Oxford Economics Report dated December 16, 2024.

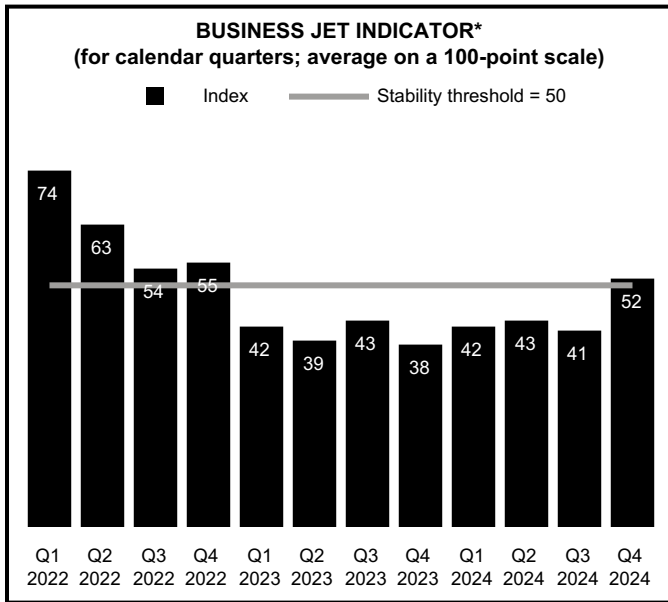
<sup>(2)</sup> According to WingX data, excludes very light jets and large corporate airliners, as of January 6, 2025. Fleet operators tracked are Vista Global, NetJets, Flexjets, Airshare and Wheels Up.

<sup>(3)</sup> According to JETNET and Ascend (by Cirium).

<sup>(4)</sup> According to the Barclays Business Jet Survey dated December 2, 2024.

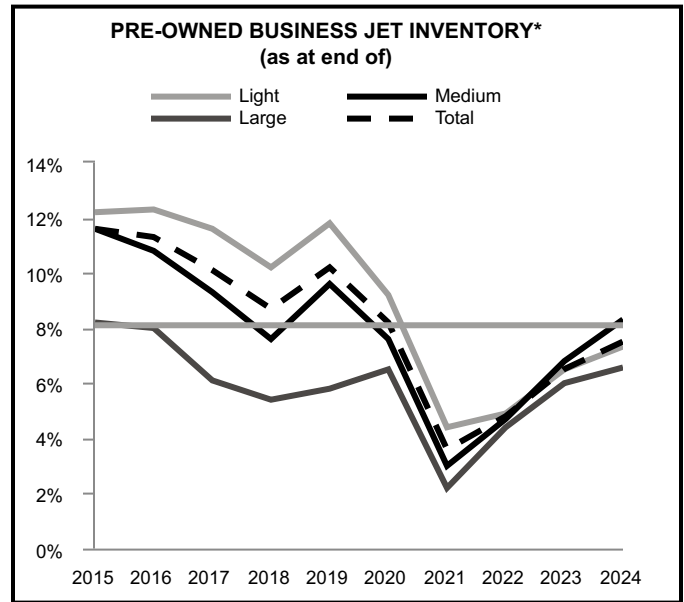
<sup>(5)</sup> Based on our estimates, public disclosure records of certain competitors, the General Aviation Manufacturers Association (GAMA) shipment reports, Ascend (by Cirium) and B&CA Magazine list prices, as of January 29, 2025, excludes very light jets and large corporate airliners.

<sup>(6)</sup> According to the U.S. Bureau of Economic Analysis News Release dated December 19, 2024.



Source: Barclays.

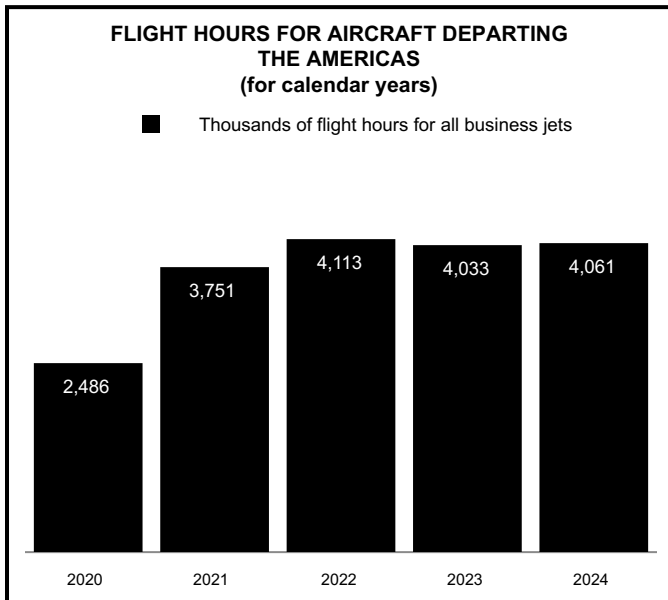
\* The Business Jet Indicator is a measure of market confidence from industry professionals, gathered through regular surveys of brokers, dealers, manufacturers, fractional providers, financiers and others.



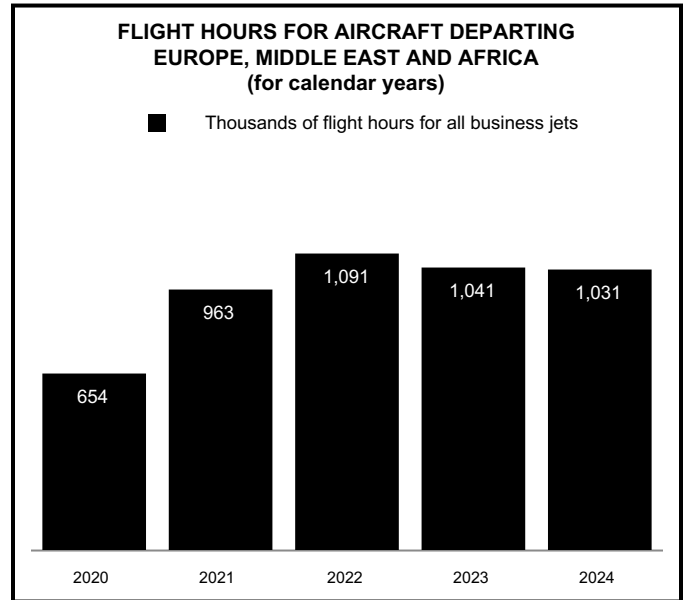
Sources: JETNET and Cirium.

\* As a percentage of total business jet fleet, excluding very light jets. As at Q4 2024, the percentages for Total, Large, Medium and Light were 7.5%, 6.6%, 8.3% and 7.3%, respectively.

— Represents the approximate 10 year rolling average calculated for Total as at December 31, 2024 (8.1%).



Source: WingX, excludes very light jets and large corporate airliners, as of January 6, 2025. Segmentation methodology used in the calculation of the flight hours has been adjusted from the year 2023.



Source: WingX, excludes very light jets and large corporate airliners, as of January 6, 2025. Segmentation methodology used in the calculation of the flight hours has been adjusted from the year 2023.

## Short-term outlook

As per the latest data available, global GDP growth is expected to fall short at 2.7% in 2024 and increase slightly at 2.8% in 2025<sup>(1)</sup>. Central banks are expected to continue cutting interest rates to make monetary policy less restrictive. Many policy makers have warned that it will take more time to reach the 2% core inflation target due to services inflation slowing less sharply and a still tight U.S. labor market<sup>(1)</sup>. On the fiscal policy side, in many economies, a certain consolidation of spending is expected due to high deficit/debt levels. In the U.S. though, we could see higher spending in the short term and extension of tax cuts. An uncertain geopolitical environment and acceleration of tariffs and possibly deglobalization are the other key factors that will impact world trade growth and global short-term outlook.

From an industry perspective, while pre-owned inventory levels have risen in 2024, they are unlikely to reach pre-pandemic levels in the short-term. Higher levels of inventory could also put downward pressure on pricing favoring activity in the pre-owned market. This coupled to a strong and balanced aircraft backlog for the industry will continue to support moderate growth. Continued high levels of flight activity will sustain growth in services and demand for aircraft from fleet operators. Industry revenues are expected to continue to grow driven by the increasing contribution of large aircraft in the overall industry delivery mix.

<sup>(1)</sup> According to Oxford Economics Report dated December 16, 2024.

## Long-term outlook

In the longer term, a majority of demand drivers are on the positive side. We continue anticipating that wealth creation and the ongoing rise of developing countries will expand our customer base. The retirement of older models combined with the introduction of new models will help meet the needs of new customers. The continued trend and evolution of new ownership models, such as fractional and charter businesses, will allow business aviation travel to be even more accessible than before. Business aviation is set for expansion and with the industry's most extensive product portfolio, we are confident in our strong positioning.

## Customer services

In 2024, as a result of its efforts towards improving customer service, Bombardier was voted #1 in the Aviation International News 2024 Product Support Survey, coming out ahead of our competition. Bombardier also hosted numerous industry events this year, such as the Safety Standdown, the Flight Attendant Safety Standdown as well as maintenance and operations conferences in Europe, North America and Asia. Bombardier also hosted customer appreciation events in the spring to thank customers for their loyalty. These initiatives and recognitions throughout 2024 are consistent and a positive indication of Bombardier's success in continuously improving its customers satisfaction. Bombardier is ensuring consistent and reliable access to Services for current and future customers across the globe. Demand for Services and Support is driven by the size of the fleet of Bombardier business aircraft, by the number of hours flown by said fleet and the average age of the fleet.

## Market indicators

INDICATOR	CURRENT SITUATION	STATUS
INSTALLED BASE	The installed base for Bombardier business aircraft increased by 0.3%. The medium and large categories increased by approximately 3.4% in 2024 when compared to 2023, while the light and very light decreased by 4.7%. The total fleet adds up to more than 5,100 aircraft <sup>(1)</sup> .	▲
YEARLY TOTAL FLIGHT HOURS	Based on our estimates, Bombardier business aircraft fleet total flight hours increased by approximately 1.5% in 2024 compared to 2023 and increased by about 19.2% compared to 2019 <sup>(2)</sup> . Yearly average flight hours per aircraft decreased by about 2.4% in 2024 compared to 2023 <sup>(2)</sup> .	▲
AVERAGE AGE OF FLEET	Typically, aircraft direct maintenance costs increase as an aircraft age. Therefore, the average age of the fleet of Bombardier aircraft will impact the size of the maintenance market. The average age of the Bombardier business aircraft fleet increased by 3.4% in 2024 compared to 2023 <sup>(1)</sup> .	▲

▲ ► ▼ Identifies a favorable, neutral or negative status, respectively, in the market categories in which we compete, based on the current environment.

<sup>(1)</sup> Based on data obtained from fleet database Ascend (by Cirium).

<sup>(2)</sup> Based on yearly data from internal Bombardier FRACAS database, as of January 15, 2025.

**Short-term outlook**

Flight activity in 2024 has continued to surpass pre-pandemic levels and mirrors the activity seen in 2023. This robust flight activity is expected to drive short-term demand for Services and fleet operators. With the expansions and new builds completed, along with the ongoing development of our customer-centric approach throughout 2024, we are poised to enhance the accessibility and reach of our services globally. Additionally, we will continue to strategically evaluate further expansions or offerings to grow our Services market share, improve response times, and strengthen relationships worldwide.

**Long-term outlook**

The ongoing expansion of the installed base of aircraft is anticipated to boost demand for customer services. While traditional markets like North America remain dominant in market size, the growth of business aircraft fleets in emerging markets since 2019 is expected to drive new opportunities for Services globally.

# CONSOLIDATED RESULTS OF OPERATIONS

## Results of operations

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
Revenues				
Business aircraft				
Manufacturing and Other <sup>(1)</sup>	\$ 2,575	\$ 2,571	\$ 6,580	\$ 6,261
Services <sup>(2)</sup>	524	482	2,036	1,748
Others <sup>(3)</sup>	9	9	49	37
<b>Total revenues</b>	<b>3,108</b>	<b>3,062</b>	<b>8,665</b>	<b>8,046</b>
Cost of sales	2,487	2,480	6,880	6,415
<b>Gross margin</b>	<b>621</b>	<b>582</b>	<b>1,785</b>	<b>1,631</b>
SG&A	135	137	478	447
R&D	121	158	361	373
Other expense (income)	16	12	63	15
Restructuring charges <sup>(4)</sup>	4	1	3	1
Loss (gain) related to disposal of business <sup>(5)</sup>	—	(19)	—	(81)
Impairment and program termination <sup>(6)</sup>	3	82	2	83
<b>EBIT</b>	<b>342</b>	<b>211</b>	<b>878</b>	<b>793</b>
Financing expense	297	159	677	594
Financing income	(6)	(170)	(55)	(202)
<b>EBT</b>	<b>51</b>	<b>222</b>	<b>256</b>	<b>401</b>
Income taxes expense (recovery)	(73)	7	(114)	(89)
<b>Net income (loss) from continuing operations</b>	<b>\$ 124</b>	<b>\$ 215</b>	<b>\$ 370</b>	<b>\$ 490</b>
Net income (loss) from discontinued operations <sup>(7)</sup>	—	—	—	(45)
<b>Net income</b>	<b>\$ 124</b>	<b>\$ 215</b>	<b>\$ 370</b>	<b>\$ 445</b>
<b>EPS (in dollars)</b>				
Basic	\$ 1.18	\$ 2.15	\$ 3.45	\$ 4.34
Diluted	\$ 1.16	\$ 2.11	\$ 3.40	\$ 4.24
<b>EPS from continuing operations (in dollars)</b>				
Basic	\$ 1.18	\$ 2.15	\$ 3.45	\$ 4.81
Diluted	\$ 1.16	\$ 2.11	\$ 3.40	\$ 4.70
<b>As a percentage of total revenues</b>				
Gross margin <sup>(8)</sup>	20.0 %	19.0 %	20.6 %	20.3 %
EBIT margin <sup>(8)</sup>	11.0 %	6.9 %	10.1 %	9.9 %

(1) Includes revenues from sale of new aircraft, pre-owned aircraft and Defense.

(2) Includes revenues from Services and Support including parts, *Smart Services*, service centers, training and technical publications.

(3) Includes revenues from sale of components related to commercial aircraft programs.

(4) Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

(5) Includes changes in provisions related to past divestitures.

(6) Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any. For fiscal year 2023, includes impairment of \$85 million related to an aircraft product upgrade, started in 2018 and paused in 2020.

(7) Discontinued operations are related to the sale of the Transportation business. The expenses recorded in discontinued operations for fiscal year 2023 principally relate to change in estimates of a provision for professional fees.

(8) Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

## Computation of diluted EPS<sup>(1)</sup>

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
Net income	\$ 124	\$ 215	\$ 370	\$ 490
Preferred share dividends, including taxes	(8)	(8)	(31)	(31)
<b>Net income attributable to common equity holders of Bombardier Inc.</b>	<b>\$ 116</b>	<b>\$ 207</b>	<b>\$ 339</b>	<b>\$ 459</b>
<b>Weighted-average diluted number of common shares (in thousands)</b>	<b>100,548</b>	<b>98,409</b>	<b>99,966</b>	<b>97,721</b>
<b>Diluted EPS (in dollars)</b>	<b>\$ 1.16</b>	<b>\$ 2.11</b>	<b>\$ 3.40</b>	<b>\$ 4.70</b>

<sup>(1)</sup> Only from continuing operations.

## Other non-GAAP financial measures, non-GAAP financial ratios and closest IFRS measures

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
EBIT	\$ 342	\$ 211	\$ 878	\$ 793
Adjusted EBIT <sup>(1)</sup>	\$ 356	\$ 278	\$ 915	\$ 799
Adjusted EBIT margin <sup>(2)</sup>	11.5 %	9.1 %	10.6 %	9.9 %
Adjusted EBITDA <sup>(1)</sup>	\$ 513	\$ 458	\$ 1,360	\$ 1,230
Adjusted EBITDA margin <sup>(2)</sup>	16.5 %	15.0 %	15.7 %	15.3 %
Net income <sup>(3)</sup>	\$ 124	\$ 215	\$ 370	\$ 490
Adjusted net income <sup>(1)</sup>	\$ 311	\$ 143	\$ 547	\$ 416
Diluted EPS (in dollars) <sup>(3)</sup>	\$ 1.16	\$ 2.11	\$ 3.40	\$ 4.70
Adjusted EPS (in dollars) <sup>(2)</sup>	\$ 3.01	\$ 1.37	\$ 5.16	\$ 3.94

<sup>(1)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(2)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(3)</sup> Only from continuing operations.

## Analysis of consolidated results

### Revenues

Revenues for the three-month period ended December 31, 2024 increased by \$46 million year-over-year mainly due to:

- Services revenues increased by \$42 million year-over-year.

Revenues for the fiscal year ended December 31, 2024 increased by \$619 million year-over-year mainly due to:

- Manufacturing and other revenues increased by \$319 million year-over-year mainly due to higher medium aircraft deliveries and higher selling prices; and
- Services revenues increased by \$288 million year-over-year.

## **Gross margin<sup>(1)</sup>**

Gross margin<sup>(1)</sup> as a percentage of revenues for the three-month period ended December 31, 2024 increased year-over-year by 1.0 percentage points, mainly as a result of higher contributions from aircraft margins partially offset by lower percentage contributions from Services.

Gross margin<sup>(1)</sup> as a percentage of revenues for the fiscal year ended December 31, 2024 increased year-over-year by 0.3 percentage points, mainly as a result of higher contributions from medium aircraft and Services partially offset by lower contributions from large aircraft.

## **EBIT margin<sup>(1)</sup> and adjusted EBIT margin<sup>(2)</sup>**

Adjusted EBIT margin<sup>(2)</sup> for the three-month period ended December 31, 2024 increased by 2.4 percentage points, mainly as a result of:

- higher contributions from aircraft margins; and
- lower R&D expense.

Partially offset by:

- lower percentage contributions from Services.

EBIT margin<sup>(1)</sup> for the three-month period ended December 31, 2024 increased by 4.1 percentage points year-over-year. EBIT includes certain amounts not included in adjusted EBIT<sup>(3)</sup> such as statement of income line items; loss (gain) related to disposal of business, impairment and program termination (reversals), restructuring charges (reversals) and certain pension related items<sup>(4)</sup> and non-commercial legal claims, included in other expense (income), where applicable.

Adjusted EBIT margin<sup>(2)</sup> for the fiscal year ended December 31, 2024 increased by 0.7 percentage points year-over-year, mainly as a result of:

- higher contributions from medium aircraft;
- higher contributions from Services; and
- lower R&D expense.

Partially offset by:

- lower contributions from large aircraft; and
- higher SG&A and other expenses.

EBIT margin<sup>(1)</sup> for the fiscal year ended December 31, 2024 increased by 0.2 percentage points year-over-year. EBIT includes certain amounts not included in adjusted EBIT<sup>(3)</sup> such as statement of income line items; loss (gain) related to disposal of business, impairment and program termination (reversals), restructuring charges (reversals) and certain pension related items<sup>(4)</sup> and non-commercial legal claims, included in other expense (income), where applicable.

<sup>(1)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

<sup>(2)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(3)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(4)</sup> Includes the loss related to the purchase of pension annuities. See Note 22 - Retirement benefits, to our Consolidated financial statements, for more information.

## ***Net financing (income) expense***

Net financing (income) expense amounted to \$291 million and \$622 million, respectively, for the fourth quarter and fiscal year ended December 31, 2024, compared to \$(11) million and \$392 million for the corresponding periods last fiscal year.

The \$302 million increase in net financing expense for the fourth quarter is mainly due to:

- net change on certain financial instruments classified as FVTP&L, mainly due to a non-cash change in fair value of embedded derivatives related to call options on long-term debt (\$327 million).

Partially offset by:

- losses related to the full repayment and/or partial repayment of certain Senior Notes (\$16 million).

The \$230 million increase in net financing expense for the fiscal year is mainly due to:

- net change on certain financial instruments classified as FVTP&L, mainly due to a non-cash change in fair value of embedded derivatives related to call options on long-term debt (\$139 million);
- losses related to the partial repayment of certain Senior Notes (\$73 million); and
- higher interest on long-term debt (\$13 million).

## ***Income taxes***

The effective income tax rate for the fourth quarter and fiscal year ended December 31, 2024 is lower than the statutory income tax rate in Canada of 26.5%. The effective income tax recovery rates are due to the positive impact of the net recognition of previously unrecognized tax losses and temporary differences partially offset by the negative impact of the permanent differences.

The effective income tax rate for the fourth quarter and fiscal year ended December 31, 2023 is lower than the statutory income tax rate in Canada of 26.5%. In the three-month period, the effective income tax rate is due to the positive impact of the permanent differences and the net recognition of previously unrecognized tax losses and temporary differences. For the fiscal year ended December 31, 2023, the effective income tax recovery rate is due to the positive impact of the net recognition of previously unrecognized tax losses and temporary differences and the permanent differences partially offset by the negative impact of the write-down of deferred income tax assets.

## Product development

### Investment in product development

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
Additions to aerospace program tooling <sup>(1)</sup>	\$ 17	\$ 33	\$ 92	\$ 113
R&D expense, gross <sup>(2)</sup>	27	18	87	53
	\$ 44	\$ 51	\$ 179	\$ 166
As a percentage of revenues	1.4 %	1.7 %	2.1 %	2.1 %

<sup>(1)</sup> Represents the net amount capitalized in aerospace program tooling, as well as the amount that was paid to suppliers based on reception of parts for acquired development costs carried out by them.

<sup>(2)</sup> Excludes amortization of aerospace program tooling of \$130 million and \$332 million, respectively, for the fourth quarter and fiscal year ended December 31, 2024 (\$149 million and \$330 million, respectively, for the fourth quarter and fiscal year ended December 31, 2023), as the related investments are already included in aerospace program tooling, and excludes investment tax credits that were recognized as a reduction of R&D expense of \$37 million and \$58 million, respectively, for the fourth quarter and fiscal year ended December 31, 2024 (\$9 million and \$10 million, respectively, for fourth quarter and fiscal year ended December 31, 2023).

The testing and certification of the company's next flagship, the *Global 8000*<sup>(1)</sup>, remained on track in 2024. EIS of this aircraft is set for 2025<sup>(2)</sup>. Announced in 2022, the *Global 8000* aircraft will have a range of 8,000 nautical mile and, with a top speed of Mach 0.94<sup>(3)</sup>, will be the fastest in the industry. In October 2024, Bombardier announced that its manufacturing sites in Saint-Laurent (Québec), Red Oak (Texas) and Querétaro (Mexico) have begun to manufacture key components for the 1<sup>st</sup> *Global 8000* production aircraft.

In 2024, Bombardier continued to innovate and upgrade the systems and services it provides for in-service aircraft, as well as invest in programs with high rates of return, permitting the company to continue its growth trajectory while maintaining value. The company also made advancements in its EcoJet research project, leveraging the expertise of academic institutions to further the program.

<sup>(1)</sup> The *Global 8000* aircraft is currently under development and remains to be finalized and certified. All specifications and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. It is expected to enter service in 2025.

<sup>(2)</sup> See the forward-looking statements disclaimer in the Overview section of this MD&A.

<sup>(3)</sup> Under certain operating conditions, when compared to aircraft currently in service.

## Aircraft deliveries and order backlog

### Aircraft deliveries

(in units)	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
<b>Business aircraft</b>				
Medium	28	24	73	63
Large	29	32	73	75
	57	56	146	138

### Order backlog

(in billions of dollars)	December 31, 2024		As at December 31, 2023	
Order backlog <sup>(1)</sup>	\$ 14.4		\$ 14.2	

<sup>(1)</sup> Represents order backlog for both manufacturing and Services.

We finished the year with a strong order backlog of \$14.4 billion. Management continuously monitors backlog length and production rates to balance with sales activities, market demand and aircraft manufacturing lead times.

## Workforce

### Total number of employees

	December 31, 2024	As at December 31, 2023
Regular <sup>(1)</sup>	<b>17,900</b>	17,100
Contractual	<b>900</b>	1,000
	<b>18,800</b>	18,100
Percentage of regular employees covered by collective agreements	<b>46 %</b>	47 %

<sup>(1)</sup> Including inactive employees as at December 31, 2024 and as at December 31, 2023.

The workforce as at December 31, 2024 increased by 700 employees, or 4%, when compared to the previous year. The increase is in support of our growth in aircraft production and services.

Our incentive-based compensation plan for employees across our sites rewards the collective efforts of our employees in achieving our objectives using performance indicator targets. A total of approximately 11,300 employees worldwide, or 63% of regular employees, participate in the program. In 2024, as part of this program, incentive-based compensation is linked to the achievement of targeted results, based on adjusted EBITDA<sup>(1)</sup> and free cash flow<sup>(1)</sup>.

Approximately 65% of the workforce as of December 31, 2024, or 12,200 employees, are located in Canada.

<sup>(1)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

## CONSOLIDATED FINANCIAL POSITION

The \$210 million increase in assets for the fiscal year is mainly explained by:

- a \$277 million increase in inventories supporting a ramp up in production;
- a \$225 million increase in deferred income tax assets; and
- a \$76 million increase in trade and other receivables.

Partially offset by:

- a \$242 million decrease in aerospace program tooling as a result of amortization partially offset by additions; and
- a \$172 million decrease in other financial assets<sup>(1)</sup>.

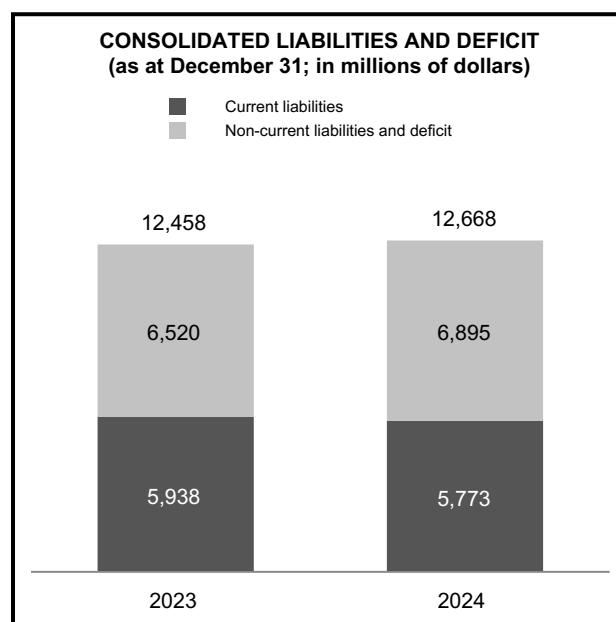
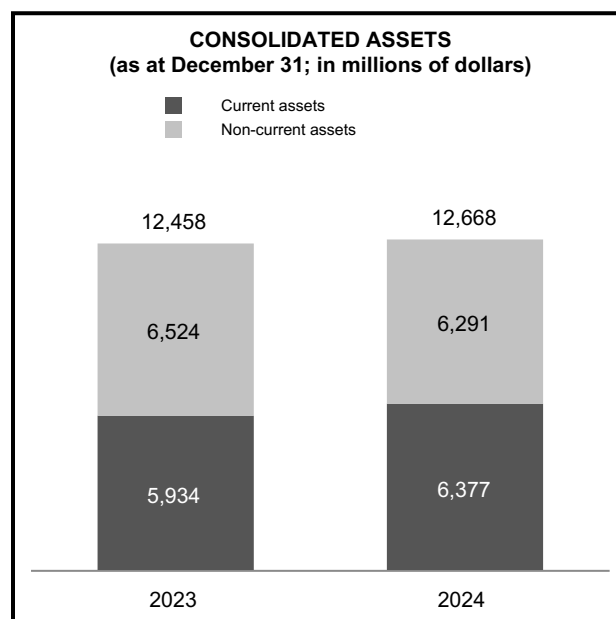
The \$210 million increase in total liabilities and deficit for the year ended is mainly explained by a \$413 million increase in equity<sup>(2)</sup> partially offset by a \$203 million decrease in liabilities.

The \$203 million decrease in liabilities is mainly due to:

- a \$353 million decrease in contract liabilities due to aircraft mix and timing of pre-delivery payments;
- a \$179 million decrease in retirement benefit liability mainly due to remeasurement of defined benefits plans; and
- a \$62 million decrease in long-term debt<sup>(3)</sup> obligations due to the partial repayment of certain Senior Notes partially offset by issuance of long-term debt.

Partially offset by:

- a \$475 million increase in other liabilities mainly due to supplier contributions to aerospace programs and deferred income.



<sup>(1)</sup> For the purpose of the consolidated financial position, explanations included in this section do not include the impact of the back-to-back agreements the Corporation has with ACLP related to certain government refundable advances and has with MHI related to certain liabilities. Refer to Note 18 – Other financial assets and Note 25 – Other financial liabilities in our consolidated financial statements for more information.

<sup>(2)</sup> Refer to the consolidated statements of changes in equity in our consolidated financial statements for more information.

<sup>(3)</sup> Refer to Note 27 – Long-term debt in our consolidated financial statements for more information.

# LIQUIDITY AND CAPITAL RESOURCES

## Free cash flow<sup>(1)</sup>

### Free cash flow<sup>(1)</sup>

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
<b>Net income from continuing operations</b>	\$ 124	\$ 215	\$ 370	\$ 490
Non-cash items				
Amortization	157	180	445	431
Impairment charges on intangible assets	2	70	2	73
Deferred income taxes (recovery)	(114)	(4)	(179)	(105)
Losses on disposals of PP&E	—	1	—	1
Share-based expense	6	8	23	24
Losses on repayments of long-term debt	—	16	127	54
Net change in non-cash balances	685	254	(383)	(345)
<b>Cash flows from operating activities - continuing operations</b>	<b>860</b>	<b>740</b>	<b>405</b>	<b>623</b>
Net additions to PP&E and intangible assets	(46)	(94)	(173)	(366)
<b>Free cash flow<sup>(1)</sup></b>	<b>\$ 814</b>	<b>\$ 646</b>	<b>\$ 232</b>	<b>\$ 257</b>

<sup>(1)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

### Cash flows from operating activities - continuing operations

The \$120 million increase in cash flows from operating activities for the fourth quarter is mainly due to:

- a positive period-over-period variation in net change in non-cash balances (\$431 million) (see explanations below).

Partially offset by:

- lower net income before non-cash items (\$311 million).

The \$218 million decrease in cash flows from operating activities for the fiscal year is mainly due to:

- lower net income before non-cash items (\$180 million); and
- a negative period-over-period variation in net change in non-cash balances (\$38 million) (see explanations below).

### Net change in non-cash balances

For the fourth quarter ended December 31, 2024, the \$685 million inflow is mainly due to:

- a decrease in inventories due to aircraft deliveries; and
- an increase in other liabilities mainly due to supplier contributions to aerospace programs and deferred income.

Partially offset by:

- a decrease in contract liabilities due to aircraft mix and timing of pre-delivery payments.

For the fourth quarter ended December 31, 2023, the \$254 million inflow was mainly due to:

- a decrease in inventories mainly due to higher aircraft deliveries.

Partially offset by:

- a decrease in contract liabilities mainly due to aircraft deliveries; and
- an increase in net other financial assets and liabilities mainly due to a non-cash change in fair value of embedded derivatives related to call options on long term-debt.

For the fiscal year ended December 31, 2024, the \$383 million outflow is mainly due to:

- a decrease in contract liabilities due to aircraft mix and timing of pre-delivery payments; and
- an increase in inventories supporting a ramp up in production.

Partially offset by:

- an increase in other liabilities mainly due to supplier contributions to aerospace programs and deferred income.

For the fiscal year ended December 31, 2023, the \$345 million outflow was mainly due to:

- an increase in inventories mainly to support higher deliveries; and
- a change in net other financial assets and liabilities partly due to residual value guarantee payments related to past business divestitures.

Partially offset by:

- an increase in trade and other payables mainly due to timing as well as production rate increase.

**Net additions to PP&E and intangible assets**

	Fourth quarter ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
<b>Net additions to PP&amp;E and intangible assets</b>	\$ (46)	\$ (94)	\$ (173)	\$ (366)

For the fourth quarter and the fiscal year ended December 31, 2024, net additions to PP&E and intangible assets decreased by \$48 million and \$193 million respectively, principally due to activities at the newly opened Aircraft Assembly Center at Pearson airport in Toronto last year.

## Available liquidity<sup>(1)</sup>

We continuously monitor our level of liquidity, including cash and cash equivalents and expected cash flows from operations, to meet expected requirements, including working capital needs, the support of product development initiatives and to ensure financial flexibility. In evaluating our liquidity requirements, we take into consideration historic volatility and seasonal needs, the maturity profile of long-term debt, the funding of product development programs, the level of customer advances, working capital requirements, the economic environment and access to capital markets. We use scenario analyses to evaluate cash flow projections.

### Variation in cash and cash equivalents

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
Balance at the beginning of period/fiscal year	\$ 872	\$ 987	\$ 1,594	\$ 1,291
Free cash flow <sup>(1)</sup>	814	646	232	257
Changes to restricted cash <sup>(2)</sup>	11	(2)	24	390
Sale of investments in securities	(3)	3	29	133
Net proceeds from issuance of long-term debt	—	739	1,476	1,478
Repayments of long-term debt	—	(740)	(1,599)	(1,903)
Payments of lease liabilities	(6)	(11)	(32)	(36)
Dividends paid - Preferred shares	(5)	(5)	(22)	(22)
Repurchase of Class B shares	—	—	(6)	(4)
Issuance of Class B shares	3	2	16	69
Purchase of Class B shares held in trust under the PSU and RSU plans	(10)	(14)	(16)	(20)
Effect of exchange rates on cash and cash equivalents	1	—	1	—
Other	(24)	(11)	(44)	(39)
<b>Balance at the end of period/fiscal year</b>	<b>\$ 1,653</b>	<b>\$ 1,594</b>	<b>\$ 1,653</b>	<b>\$ 1,594</b>

### Available liquidity<sup>(1)</sup>

	December 31 2024		As at December 31 2023	
	Cash and cash equivalents	\$ 1,653	\$ 1,594	\$ 1,594
Undrawn amounts under available revolving credit facility <sup>(3)</sup>	429	—	251	251
<b>Available liquidity</b>	<b>\$ 2,082</b>	<b>\$ 1,594</b>	<b>\$ 1,845</b>	<b>\$ 1,845</b>

As at December 31, 2024, the Corporation's available liquidity<sup>(1)</sup> remains strong at approximately \$2.1 billion, which includes cash and cash equivalents of \$1.7 billion and \$429 million under a committed secured revolving credit facility. This facility of \$450 million which matures in 2029 is available for cash drawings for the ongoing working capital needs of the Corporation and for issuance of performance letters of credit. This facility was undrawn as at December 31, 2024 and the availability as at such date was \$429 million based on the collateral, which may vary from time to time.

<sup>(1)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(2)</sup> Includes cash collateral supporting various bank guarantees.

<sup>(3)</sup> Based on collateral, which may vary from time to time.

## Future liquidity requirements

Our business operations require capital to develop industry-leading products and to seize strategic opportunities to increase competitiveness and execute growth strategies. On an on-going basis, we manage our liabilities by taking into consideration expected free cash flow, debt repayments and other material cash outlays expected to occur in the future. We take advantage of favorable capital market conditions when they materialize to extend debt maturity, reduce cost of funds and increase diversity of capital resources.

Bombardier has reduced its long-term debt by approximately \$4.9 billion<sup>(1)</sup> since December 31, 2020, including the partial repayment of \$300 million of Senior Notes due 2027 completed in January 2025. The Corporation has continued to focus on refinancing and repaying its near-term debt maturities, further strengthening its balance sheet and creating a runway to focus on its operations.

<sup>(1)</sup> Represents the notional amount of the long-term debt.

During the year ended December, 31 2024, the Corporation repaid certain Senior Notes as follows:

### Repayments during the year

Repayment quarter	Due date of Senior Notes	Amount <sup>(1)</sup>
Second quarter	2026 and 2027	\$ 1,585

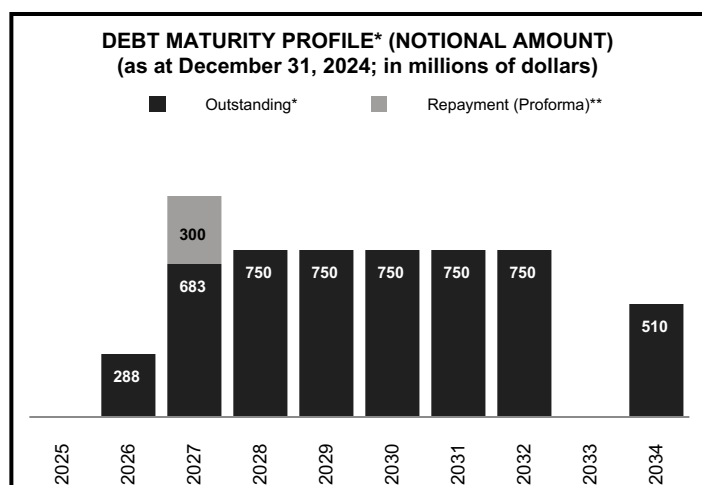
<sup>(1)</sup> Represents the notional amount of the long-term debt repaid during the year.

In April 2024, the Corporation completed the closing of its offering of \$750 million aggregate principal amount of Senior Notes due 2031. The Senior Notes carry a coupon of 7.25% per annum and were sold at 99.75% of par. The Corporation used the net proceeds to finance the partial repayment of Senior Notes due 2026 for an aggregate amount of \$497 million, and the partial repayment of Senior Notes due 2027 for an aggregate amount of \$200 million. In addition, the Corporation also completed a partial repayment of Senior Notes due 2027 for an aggregate amount of \$100 million using cash from its balance sheet.

In June 2024, the Corporation completed the closing of its offering of \$750 million aggregate principal amount of Senior Notes due 2032. The Senior Notes carry a coupon of 7.00% per annum and were sold at par. The Corporation used the net proceeds together with its cash and cash equivalents to finance the partial repayment of Senior Notes due 2026 for an aggregate amount of \$338 million, and the partial repayment of Senior Notes due 2027 for an aggregate amount of \$450 million.

In January 2025, the Corporation completed partial repayment of Senior Notes due 2027 for an aggregate amount of \$300 million using cash from its balance sheet.

The weighted-average long-term debt maturity was 5.0 years as at December 31, 2024. See Note 27 – Long-term debt, to the Consolidated financial statements, for more details.



\* Includes other long-term debt amounting to \$18 million as at December 31, 2024. See Note 27 – Long-term debt, to the Consolidated financial statements, for more information.

\*\* Represents the amount repaid by the Corporation in January 2025. See Note 27 – Long-term debt, to the Consolidated financial statements, for more information.

We believe our available liquidity<sup>(1)</sup> of \$2.1 billion is sufficient to execute our plan in the short-term. We currently anticipate that these resources will enable the development and upgrade of products and investments in PP&E to enhance our competitiveness and support our growth; will enable us to meet currently anticipated financial requirements in the foreseeable future; and will allow the payment of dividends on preferred shares, if and when declared by the Board of Directors<sup>(2)</sup>. The Corporation intends to continue to opportunistically refinance or deploy excess liquidity towards debt pay down and continues to evaluate the most efficient debt reduction strategies, which for example could include redemptions, tenders or open market repurchases. The amounts involved may be material.

<sup>(1)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(2)</sup> See the forward-looking statements disclaimer in the Overview section of this MD&A.

### Expected timing of future liquidity requirements<sup>(1)</sup>

	December 31, 2024				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	Thereafter
Long-term debt <sup>(1)</sup>	\$ 5,531	\$ 300 <sup>(2)</sup>	\$ 971	\$ 1,500	\$ 2,760
Interest payments	2,008	386	706	488	428
Purchase obligations <sup>(3)</sup>	7,116	3,791	1,328	601	1,396
Trade and other payables	1,792	1,792	—	—	—
Other financial liabilities <sup>(4)(5)</sup>	655	78	112	154	311
Derivative financial liabilities	159	103	56	—	—
	<b>\$ 17,261</b>	<b>\$ 6,450</b>	<b>\$ 3,173</b>	<b>\$ 2,743</b>	<b>\$ 4,895</b>

<sup>(1)</sup> Includes principal repayments only.

<sup>(2)</sup> Represents the partial repayment of the Senior Notes due 2027 for an aggregate amount of \$300 million that the Corporation announced in December 2024, which was completed in January 2025.

<sup>(3)</sup> Purchase obligations represent contractual agreements to purchase goods or services in the normal course of business that are legally binding and specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum, variable or indexed price provisions; and the appropriate timing of the transaction. These agreements are generally cancellable with a substantial penalty. Purchase obligations are generally matched with revenues over the normal course of operations.

<sup>(4)</sup> The carrying amount of other financial liabilities excludes derivative financial instruments and lease liabilities.

<sup>(5)</sup> Includes back-to-back agreement with ACLP. Refer to Note 25 – Other financial liabilities, to our Consolidated financial statements, for more information.

The table above presents the expected timing of contractual liquidity requirements. Other financial liabilities include government refundable advances. Under the respective agreements, the Corporation is required to pay amounts to governments at the time of the delivery of aircraft. Due to uncertainty about the number of aircraft to be delivered and the timing of delivery of aircraft, the amounts shown in the table above may vary. Required pension contributions have not been reflected in this table as such contributions depend on periodic actuarial valuations for funding purposes. See the Retirement benefits section of this MD&A for more details on contributions to retirement benefit plans. The amounts presented in the table represent the undiscounted payments and do not give effect to the related hedging instruments, if applicable.

The Corporation leases buildings, equipment and land. The maturity analysis of undiscounted lease liabilities was as follows:

	<b>As at December 31, 2024</b>	
Within 1 year	\$	61
Between 1 to 5 years		190
More than 5 years		655
	\$	<b>906</b>

The Corporation has entered into leases for which the asset is still under construction. The Corporation's undiscounted lease commitments were as follows, as at:

	<b>December 31, 2024</b>	
Less than 1 year	\$	—
From 1 to 3 years		7
Thereafter		297
	\$	<b>304</b>

### ***Creditworthiness***

In May 2024, Moody's Investors Service, Inc. upgraded Bombardier's issuer rating from B2 to B1. In June 2024, S&P Global Ratings upgraded Bombardier's issuer rating from B to B+.

#### **Credit Ratings**

	<b>December 31, 2024</b>
Moody's Investors Service, Inc.	B1
S&P Global Ratings	B+

Over the long-term, the Corporation believes that it will be in a good position to continue improving its credit ratings and thereby approach a credit profile nearing investment-grade as it expects to continue to reduce debt while delivering positive free cash flow<sup>(1)(2)</sup>.

<sup>(1)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(2)</sup> See the forward-looking statements disclaimer in the Overview section of this MD&A.

# CAPITAL STRUCTURE

The Corporation analyzes its capital structure using established metrics, which are based on a broad economic view of the Corporation, in order to assess the creditworthiness of the Corporation. The Corporation has emphasized its plan to make deleveraging one of its key priorities and will execute on its plan through a phased approach.

The Corporation aims to lower adjusted net debt to adjusted EBITDA ratio<sup>(1)</sup> to approximately 2x - 2.5x by continuing to grow its adjusted EBITDA<sup>(2)</sup>, allocating excess available liquidity towards debt repayment, and by reaping the benefit from its various initiatives<sup>(3)</sup>.

The Corporation aims at maintaining an adequate debt maturity runway by opportunistically refinancing or deploying excess liquidity towards debt pay down thereby building manageable and flexible debt maturity stacks while focusing on reducing its interest expense.

<sup>(1)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(2)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(3)</sup> See the forward-looking statements disclaimer in the Overview section of this MD&A.

**Global metrics** – The following global metrics do not represent the ratios required for any covenants.

	2024	2023
<b>Interest paid on long-term debt<sup>(1)</sup></b>	<b>\$ 389</b>	<b>\$ 425</b>
<b>Long-term debt</b>	<b>\$ 5,545</b>	<b>\$ 5,607</b>
Less: Cash and cash equivalents	1,653	1,594
<b>Adjusted net debt<sup>(2)</sup></b>	<b>\$ 3,892</b>	<b>\$ 4,013</b>
EBIT	\$ 878	\$ 793
Amortization	445	431
Restructuring charges (reversals) <sup>(3)</sup>	3	1
Loss (gain) related to disposal of business <sup>(4)</sup>	—	(81)
Impairment and program termination (reversals) <sup>(5)</sup>	2	83
Non-commercial legal claims	25	—
Pension related items <sup>(6)</sup>	7	3
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$ 1,360</b>	<b>\$ 1,230</b>
<b>Adjusted net debt to adjusted EBITDA ratio<sup>(7)</sup></b>	<b>2.9</b>	<b>3.3</b>

<sup>(1)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics.

<sup>(2)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(3)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(4)</sup> Includes changes in provisions related to past divestitures.

<sup>(5)</sup> Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any. For fiscal year 2023, includes impairment of \$85 million related to an aircraft product upgrade, started in 2018 and paused in 2020.

<sup>(6)</sup> Includes the loss related to the purchase of pension annuities. See Note 22 - Retirement benefits, to our Consolidated financial statements, for more information.

<sup>(7)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

Bombardier continues to evaluate various options to address other debt maturities in an opportunistic manner and to improve its capital structure and credit quality so as to support its operations and the future development of its business.

Over the longer term, the Corporation's capital allocation strategy will focus on deploying, in a disciplined manner, the excess cash generated from the business towards investments in the Corporation's products and services, and to additional debt reduction. In order to adjust its capital structure, the Corporation may opportunistically issue or reduce long-term debt, make discretionary contributions to pension funds, repurchase or issue share capital, or vary the amount of dividends paid to shareholders. For debt reduction, the Corporation will continue to evaluate the most efficient debt reduction strategies, which for example could include redemptions, tenders or open market repurchases. The amount involved may be material.

In addition, the Corporation separately monitors its net retirement benefit liability which amounted to \$483 million as at December 31, 2024 (\$660 million as at December 31, 2023). The measurement of this liability is dependent on numerous key long-term financial and actuarial assumptions such as discount rates, future compensation increases, inflation rates and mortality rates. In recent years, this liability has been particularly volatile due to changes in discount rates. Such volatility is exacerbated by the long-term nature of the obligation. The Corporation closely monitors the impact of the net retirement benefit liability on its future cash flows and has introduced significant risk mitigation initiatives in recent years in this respect such as buying out annuities on behalf of pensioners. Refer to Note 22 – Retirement benefits for more details.

## RETIREMENT BENEFITS

Bombardier sponsors several Canadian and foreign retirement benefit plans consisting of funded and unfunded defined benefit pension plans as well as other unfunded defined benefit plans. Funded plans are plans for which segregated plan assets are invested in trusts. Unfunded plans are plans for which there are no segregated plan assets, as the establishment of segregated plan assets is generally not permitted or not in line with local practice.

Pension plans are categorized as Defined benefit (DB) or Defined contribution (DC). DB plans specify the amount of benefits an employee is to receive at retirement, while DC plans specify how contributions are determined. As a result, there is no deficit or surplus for DC plans. Hybrid plans are a combination of DB and DC plans.

In Canada and the U.S., since September 1, 2013, all new non-unionized employees join DC plans (joining DB or hybrid plans is no longer an option). Employees who are members of a DB or hybrid plan closed to new members continue to accrue service in their original plan.

Variation in net retirement benefit liability <sup>(1)</sup>	
Balance as at December 31, 2023	\$ 660 <sup>(2)</sup>
Actuarial gains on pension plan assets	(134)
Employer contributions	(110)
Changes in discount rates and other financial assumptions	(85)
Changes in foreign exchange rates	(33)
Current service cost	69
Accretion on net retirement benefit obligations	34
Settlement <sup>(3)</sup>	7
Other	75
<b>Balance as at December 31, 2024</b>	<b>\$ 483 <sup>(2)</sup></b>

<sup>(1)</sup> Supplementary financial measure. Refer to the Non-GAAP and other financial measures section for definitions of these metrics.

<sup>(2)</sup> Includes retirement benefit assets of \$141 million as at December 31, 2024 (\$143 million as at December 31, 2023).

<sup>(3)</sup> Includes the loss related to the purchase of pension annuities. See Note 22 – Retirement benefits to our Consolidated financial statements for more information.

Evolution of weighted-average discount rate	2024	2023	2022	2021	2020
Canada	<b>4.70%</b>	4.60%	5.30%	3.20%	2.70%
U.S.	<b>5.60%</b>	5.10%	5.40%	2.90%	2.60%

The value of plan assets is highly dependent on the pension funds' asset performance and on the level of contributions. The performance of the financial markets is a key driver in determining the funds' asset performance as assets in the plans are composed mostly of publicly traded equity and fixed income securities. IFRS requires that the excess (deficit) of actual return on plan assets compared to the estimated return be reported as an actuarial gain or loss in OCI. The estimated return on plan assets must be calculated using the discount rate that is used to measure the net retirement benefit liability, which is derived using high-quality corporate bond yields. During 2024, the actual gains on plan assets were \$134 million and the net actuarial gains recognized in OCI were \$152 million which were mainly due to changes in discount rates.

Evolution of funding ratio of funded plans	2024	2023	2022	2021	2020
Funded	<b>93%</b>	89%	94%	87%	78%

Net retirement benefit liability	2024	2023	2022	2021 <sup>(2)</sup>	2020 <sup>(3)</sup>
Funded <sup>(1)</sup>	\$ 260	\$ 419	\$ 205	\$ 646	\$ 1,176
Unfunded	77	83	72	101	112
Other Plans	146	158	141	201	243
<b>Total net retirement benefit liability</b>	<b>\$ 483</b>	<b>\$ 660</b>	<b>\$ 418</b>	<b>\$ 948</b>	<b>\$ 1,531</b>

<sup>(1)</sup> Includes liability arising from minimum funding requirement and impact of asset ceiling test, if any.

<sup>(2)</sup> Excludes net retirement benefit liability amounting to \$414 million related to the aerostructures businesses reclassified as liabilities directly associated with assets held for sale.

<sup>(3)</sup> Excludes net retirement benefit liability amounting to \$1,136 million related to Transportation reclassified as liabilities directly associated with assets held for sale.

Retirement benefit contribution	2025 <sup>(1)</sup> (Forecast)	2024	2023	2022	2021	2020 <sup>(2)</sup>
DB	\$ 93	\$ 101	\$ 71	\$ 83	\$ 108	112
DC	44	41	39	28	26	30
Other	8	9	10	13	11	187
<b>Total retirement benefit contribution</b>	<b>\$ 145</b>	<b>\$ 151</b>	<b>\$ 120</b>	<b>\$ 124</b>	<b>\$ 145</b>	<b>\$ 329</b>

<sup>(1)</sup> See the forward-looking statements disclaimer in the Overview section of this MD&A.

<sup>(2)</sup> Includes DB other and Aerostructures and Transportation contributions. See Note 22 – Retirement benefits to our Consolidated financial statements for more information.

The future level of contributions will be impacted by the evolution of market interest rates and the actual return on plan assets.

### ***Investment policy and de-risking strategies***

The investment policies are established to achieve a long-term investment return so that, in conjunction with contributions, the plans have sufficient assets to pay for the promised benefits while maintaining a level of risk that is acceptable given the tolerance of plan stakeholders. See below for more information about risk management initiatives.

The target asset allocation is determined based on expected economic and market conditions, the maturity profile of the plans' liabilities, the funded status of the respective plans and the plan stakeholders' tolerance to risk.

The plans' investment strategy is to invest broadly in fixed income and equity securities and to have a smaller portion of the funds' assets invested in real return asset securities (global infrastructure and real estate listed securities).

In addition, a customized liability driven investment strategy (the "LDI strategy") has been implemented to reduce the sensitivity of the plan financial position to variation of interest rates.

The plan administrators have also established dynamic risk management strategies. As a result, asset allocation will likely become more conservative in the future as plan funding status and market conditions continue to improve and the plans become more mature. Under certain pension legislation, and subject to compliance with certain conditions, the buy-out of annuities with insurance companies would discharge the Corporation and administrators of their respective obligations. Accordingly, in 2018, 2019 and 2023 annuities were purchased for some pensioners, beneficiaries and deferred vested members of the Bombardier pension plans registered in Ontario or Québec. In 2024, \$635 million of annuities were purchased for some pensioners and beneficiaries of the Bombardier pension plans registered in Québec (legal discharge will occur in 2025). In 2022, annuities were purchased for some pensioners, beneficiaries and alternate payees of the Bombardier pension plan registered in the U.S. The buy-out of annuities payable to pensioners of other pension plans will be contemplated in the coming years when these plans become fully funded on a buy-out basis.

The Corporation monitors the de-risking triggers on an ongoing basis to ensure timely and efficient implementation of these strategies.

## ***Risk management initiatives***

The Corporation's pension plans are exposed to various risks, including equity, interest rate, inflation, foreign exchange, liquidity and longevity risks. Several risk management strategies and policies have been put in place to mitigate the impact these risks could have on the funded status of DB plans and on the future level of contributions by the Corporation. The following is a description of key risks together with the mitigation measures in place to address them.

### **Equity risk**

Equity risk results from fluctuations in equity prices. This risk is managed by maintaining diversification of portfolios across geographies, industry sectors and investment strategies.

### **Interest rate risk**

Interest rate risk results from fluctuations in the fair value of plan assets and liabilities due to movements in interest rates. This risk is managed by reducing the mismatch between the duration of plan assets and the duration of pension obligation. This is accomplished by having a portion of the portfolio invested in long-term fixed income securities and by implementing LDI strategies.

### **Inflation risk**

Inflation risk is the risk that benefits indexed to inflation increase as a result of changes in inflation rates. To manage this risk, the benefit indexation has been capped in certain plans and a portion of plan assets has been invested in real return asset securities.

### **Foreign exchange risk**

Currency risk exposure arises from fluctuations in the fair value of plan assets denominated in a currency other than the currency of the plan liabilities. Currency risk is managed with foreign currency hedging strategies as per plan investment policies.

### **Liquidity risk**

Liquidity risk stems from holding assets which cannot be readily converted to cash when needed for the payment of benefits or to rebalance the portfolios. Liquidity risk is managed through investments in treasury bills, government bonds and equity futures and by limiting investments in private placements or hedge funds.

### **Longevity risk**

Longevity risk is the risk that increasing life expectancy results in longer-than-expected benefit payments. This risk is mitigated by using appropriate base mortality and mortality improvement tables to set the level of contributions. The buy-out of annuities with insurance companies transfers all of the risks listed above to insurers for the annuities purchased.

## Retirement benefit cost

				2024
	Pension benefits	Other benefits	Total	
<b>DB plans</b>	<b>\$ 100</b>	<b>\$ 10</b>	<b>\$ 110</b>	
<b>DC plans</b>	<b>\$ 41</b>	<b>\$ —</b>	<b>\$ 41</b>	
<b>Total retirement benefit cost</b>	<b>\$ 141</b>	<b>\$ 10</b>	<b>\$ 151</b>	
Related to				
Funded DB plans	\$ 95	n/a	\$ 95	
Unfunded DB plans	\$ 5	\$ 10	\$ 15	
DC plans	\$ 41	n/a	\$ 41	
Recorded as follows				
EBIT expense or capitalized cost	\$ 114	\$ 3	\$ 117	
Financing expense	\$ 27	\$ 7	\$ 34	
				2023
	Pension benefits	Other benefits	Total	
DB plans	\$ 79	\$ 9	\$ 88	
DC plans	\$ 39	\$ —	\$ 39	
Total retirement benefit cost	\$ 118	\$ 9	\$ 127	
Related to				
Funded DB plans	\$ 71	n/a	\$ 71	
Unfunded DB plans	\$ 8	\$ 9	\$ 17	
DC plans	\$ 39	n/a	\$ 39	
Recorded as follows				
EBIT expense or capitalized cost	\$ 100	\$ 2	\$ 102	
Financing expense	\$ 18	\$ 7	\$ 25	

## Sensitivity analysis

The net retirement benefit liability is highly dependent on discount rates, expected inflation rates, expected rates of compensation increase, life expectancy assumptions and actual return on plan assets. The discount rates represent the market rate for high-quality corporate fixed-income investments at the end of the reporting period consistent with the currency and estimated term of the benefit obligations. As a result, discount rates change based on market conditions.

A 0.25 percentage point increase in one of the following weighted-average actuarial assumptions would have the following effects, all other actuarial assumptions remaining unchanged:

Increase (decrease)	Retirement benefit cost for fiscal year 2025 (Forecast) Total	Net retirement benefit liability as at December 31, 2024 Total
Discount rate	\$ (8)	\$ (108)
Inflation rate	\$ —	\$ (1)
Rate of compensation increase	\$ 1	\$ 9

A one year increase in life expectancy for all DB plan beneficiaries would impact plans in major countries as follows:

Increase (decrease)	Retirement benefit cost for fiscal year 2025 (Forecast)	Net retirement benefit liability as at December 31, 2024
Canada	\$ 4	\$ 57
U.S.	\$ 1	\$ 18

Details regarding assumptions used are provided in Note 22 – Retirement benefits to our Consolidated financial statements.

<sup>(1)</sup> See the forward-looking statements disclaimer in the Overview section of this MD&A.

# RISK MANAGEMENT

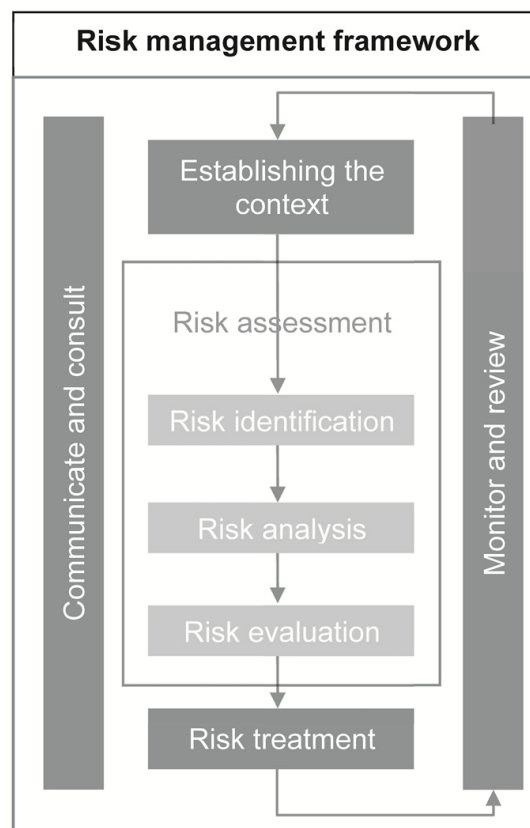
Active risk management has been one of our priorities for many years and is a key component of our corporate strategy framework. To achieve our risk management objectives, we have embedded risk management activities in the operational responsibilities of management and made these activities an integral part of the overall governance, planning, decision making, organizational and accountability structure.

For each risk or category of risks, the risk management process includes activities performed in a continuous cycle. Risk assessment, including risk identification, analysis and evaluation, ensures that each risk is analyzed to identify the consequence and likelihood of the risk occurring and the adequacy of existing controls. Each function is responsible for implementing the appropriate structures, processes and tools to allow proper identification of risks. Once the risks have been identified, analyzed and evaluated, risk mitigation identifies the actions to be implemented by management. Each function has implemented risk management processes that are embedded in governance and activities to achieve the objectives of our Corporate Risk Management Policy.

In addition, every year, the Internal Audit team assesses our major risks. Senior management reviews this risk assessment and develops action plans to address the identified risks.

The Board of Directors<sup>(1)</sup> is ultimately responsible for reviewing the overall risks faced by the Corporation. The Board exercises this duty principally through the Audit Committee, consisting of independent directors, which reviews material business risks and the measures that management takes to monitor, control and manage such risks, including the adequacy of policies, procedures and controls designed by management to assess and manage these risks.

A primary area of focus is product development, where our biggest opportunities to create value reside, and also our most significant risks. Recognizing the long-term nature of product development activities and the significant human and financial resources required, we follow a rigorous gated product development process, designed to ensure early identification and efficient mitigation of potential risks. At the heart of this process is our Bombardier Engineering System, followed for all programs throughout the product development cycle. This process is regularly refined to integrate the lessons learned from our own programs and from the industry. Specific milestones must be met before a product can move from one stage of development to another. The gates consist of exit reviews with different levels of management and leading experts to demonstrate technical feasibility, customer acceptance and financial return.



Source: International Organization for Standardization (ISO) 31000:2009

<sup>(1)</sup> Refer to the Investor information section following the Notes to the consolidated financial statements for more information on Board members and Board Committees.

We continuously apply what we learn on one program to the other programs, by sharing ideas and learning in our various functional committees and through regular peer reviews, bringing together the expertise across all platforms to drive alignment and common approaches, establish best practices and leverage the knowledge and experience of our people. This review confirms the availability of human and financial resources, the maturity and manufacturing readiness of new technologies and the overall strength of the business case.

We have also designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation is properly communicated and that information required to be disclosed in public filings is recorded, processed, summarized and reported within the time periods specified in securities legislation. Refer to the Controls and procedures section in Other for more details.

## **Key exposures to financing and market risks and related mitigation strategies**

Our operations are exposed to various financing and market risks. The following is a description of our key exposures to those risks together with the strategies in place to mitigate them. Market risks associated with pension plans are discussed in the Retirement benefits section.

### ***Exposure to foreign exchange risk***

Our main exposures to foreign currencies are managed in accordance with the Foreign Exchange Risk Management Policy in order to mitigate the impact of foreign exchange rate movements. This policy requires management to identify all actual and potential foreign currency exposures arising from their operations. This information is communicated to the central treasury function, which has the responsibility to execute hedging transactions in accordance with policy requirements. In addition, the central treasury function manages balance sheet exposures to foreign currency movements by matching asset and liability positions. This program consists mainly in matching long-term debt in a foreign currency with assets denominated in the same currency.

### ***Foreign exchange management***

Hedged exposures	Hedging policy <sup>(1)</sup>	Risk-mitigation strategies
Forecast cash outflows denominated in a currency other than the functional currency of the entity incurring the cash flows, mainly in Canadian dollars.	Hedge 85% of the identified exposures for the first three months, 75% for the next 15 months and, 50% for the following six months. Additionally, optional hedges can be placed for up to 50% of the exposures identified further in the future.	Use of foreign exchange derivatives contracts, mainly to sell U.S. dollars and buy Canadian dollars.
Interest cash outflows in currencies other than the U.S. dollar, i.e. the Canadian dollar.	Hedge 100% of the identified exposure unless the exposure is recognized as an economic hedge of an exposure arising from the translation of financial statements in foreign currencies to the U.S. dollar.	Use of foreign exchange derivatives contracts, mainly to sell U.S. dollars and buy Canadian dollars.
Balance sheet exposures.	Hedge 100% of the identified exposures affecting the Corporation's net income.	Asset/liability management techniques as well as foreign exchange derivatives contracts.

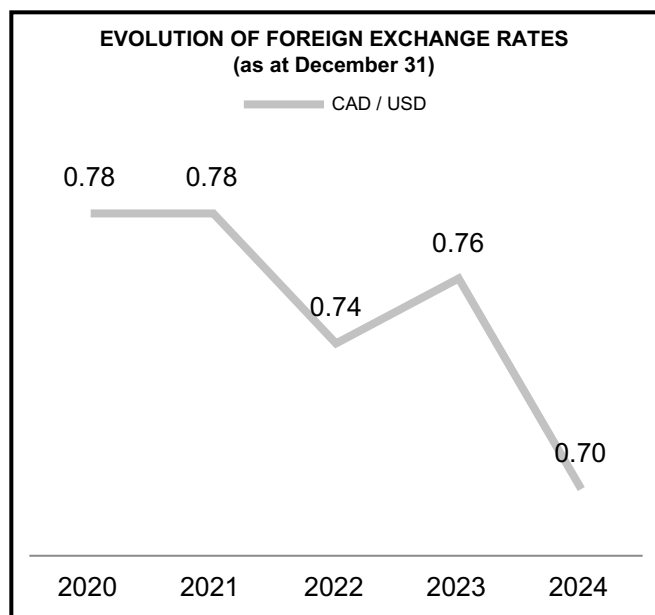
<sup>(1)</sup> Deviations from the policy are allowed, subject to pre-authorization and maximum pre-determined risk limits as well as market conditions.

As at December 31, 2024, the hedged portion of our significant foreign currency denominated costs for the fiscal years ending December 31, 2025 and 2026 was as follows:

For fiscal years	Canadian dollars	
	2025	2026
Expected costs denominated in foreign currency (in billions of dollars)	\$2.4	\$2.4
Hedged portion of expected costs denominated in foreign currency	80%	65%
Weighted-average hedge rates – foreign currency/USD	0.7414	0.7397

#### Sensitivity analysis

A U.S. one-percent change in the value of the Canadian dollar compared to the U.S. dollar would impact the expected costs for the year ending December 31, 2025 by approximately \$16 million, before giving effect to forward foreign exchange contracts (approximately \$3 million, after giving effect to such contracts).



### Exposure to credit risk

The effective monitoring and controlling of credit risk is a key component of our risk management activities. Credit risk is monitored on an ongoing basis using different systems and methodologies depending on the underlying exposure.

#### Credit risk management

Key risks	Risk mitigation measures initiated by management
Through normal treasury activities, we are exposed to credit risk through derivative financial instruments and investing instruments.	Credit risks arising from treasury activities are managed by a central treasury function in accordance with the Corporate Foreign Exchange Risk Management Policy and the Corporate Investment Policy. The objective of these policies is to minimize exposure to credit risk from treasury activities by ensuring that we transact strictly with investment-grade financial institutions and money market funds, based on pre-established consolidated counterparty risk limits per financial institution and fund.
We are exposed to credit risk through trade receivables arising from normal commercial activities.	Credit risks are arising from normal commercial activities. Customer credit ratings and credit limits are analyzed and established by internal credit specialists, based on inputs from external rating agencies, recognized rating methods and our experience with the customers. The credit risk and credit limits are dynamically reviewed based on fluctuations in the customers' financial results and payment behavior. These customer credit ratings and credit limits are critical inputs in determining the conditions under which credit or financing is extended to customers, including obtaining collateral to reduce exposure to losses. Specific governance is in place to ensure that credit risk arising from large transactions is analyzed and approved by the appropriate level of management before financing or credit support is offered to the customer.

## ***Exposure to liquidity risk***

The management of consolidated liquidity requires a constant monitoring of expected cash inflows and outflows, which is achieved through a detailed forecast of the Corporation's liquidity position, as well as long-term operating and strategic plans, to ensure adequacy and efficient use of cash resources. The Corporation uses scenario analyses to stress-test cash flow projections. Liquidity adequacy is continually monitored which involves the application of judgment, taking into consideration historical volatility and seasonal needs, stress-test results, the maturity profile of indebtedness, access to capital markets, the level of customer advances, availability of letter of credit and similar facilities, working capital requirements, the availability of working capital financing initiatives and the funding of product development and other financial commitments.

The Corporation monitors any financing opportunities to optimize its capital structure and maintain appropriate financial flexibility. The Corporation also routinely reviews its debt profile with a view to managing or extending maturities and/or negotiating more favorable terms and conditions with respect to its bank facilities. The Corporation also routinely reviews the terms and conditions of its financing arrangements. These amendments are subject to prevailing market and other conditions that are beyond its control and there can be no assurance that the Corporation will be able to successfully negotiate such amendments on commercially reasonable terms, or at all.

For more details, refer to Note 33 - Financial Risk Management, to our Consolidated financial statements. We continually monitor any financing opportunities to optimize our capital structure and maintain appropriate financial flexibility.

## ***Exposure to interest rate risk***

The Corporation is exposed to gains and losses arising from changes in interest rates, which includes marketability risks, through its financial instruments carried at fair value. These financial instruments include certain derivative financial instruments.

### ***Sensitivity analysis***

The interest rate risk primarily relates to financial instruments carried at fair value. Assuming a 100-basis point increase in interest rates impacting the measurement of these financial instruments, excluding derivative financial instruments in a hedge relationship, as at December 31, 2024, the impact on EBT would have been a negative adjustment of \$110 million as at December 31, 2024.

## NON-GAAP AND OTHER FINANCIAL MEASURES

This MD&A is based on reported earnings in accordance with IFRS and on the following non-GAAP and other financial measures:

Non-GAAP and Other Financial Measures	
<b>Non-GAAP Financial Measures</b>	
Adjusted EBIT	EBIT excluding certain items which do not reflect the Corporation's core performance or where their separate presentation will assist users of the consolidated financial statements in understanding the Corporation's results for the period. Such items include restructuring charges (reversals), loss (gain) related to disposal of business, impairment and program termination (reversals), certain one-time pension related items included in other expense (income) such as loss (gain) on pension annuity purchases, and non-commercial legal claims.
Adjusted EBITDA	Adjusted EBIT plus amortization charges on PP&E and intangible assets.
Adjusted net income (loss)	Net income (loss) from continuing operations excluding restructuring charges (reversals), loss (gain) related to disposal of business, impairment and program termination (reversals), certain one-time pension related items included in other expense (income) such as loss (gain) on pension annuity purchases, non-commercial legal claims, certain net gains and losses arising from changes in measurement of provisions and of financial instruments carried at FVTP&L, accretion on net retirement benefit obligation, losses (gains) on repayment of long-term debt, changes in discount rates of provisions and the related tax impacts of these items.
Free cash flow (usage)	Cash flows from operating activities - continuing operations less net additions to PP&E and intangible assets.
Available liquidity	Cash and cash equivalents, plus undrawn amounts under credit facilities.
Adjusted net debt	Long-term debt less cash and cash equivalents.
<b>Non-GAAP Financial Ratios</b>	
Adjusted EPS	EPS calculated based on adjusted net income attributable to equity holders of Bombardier Inc., using the treasury stock method, giving effect to the exercise of all dilutive elements.
Adjusted EBIT margin	Adjusted EBIT, as a percentage of total revenues.
Adjusted EBITDA margin	Adjusted EBITDA, as a percentage of total revenues.
Adjusted net debt to adjusted EBITDA ratio	Adjusted net debt divided by adjusted EBITDA.
<b>Supplementary Financial Measures</b>	
Interest paid on long-term debt	Interest paid comprises interest on long-term debt excluding up-front costs paid related to the negotiation of debts or credit facilities.
EBIT margin	EBIT, as a percentage of total revenues.
Gross margin percentage	Gross margin, as a percentage of total revenues.
Net retirement benefit liability	Retirement benefit liability less retirement benefit assets.

Non-GAAP and other financial measures are measures mainly derived from the consolidated financial statements but are not standardized financial measures under the financial reporting framework used to prepare our financial statements. Therefore, these might not be comparable to similar non-GAAP and other financial measures used by other issuers. The exclusion of certain items from non-GAAP or other financial measures does not imply that these items are necessarily non-recurring.

### **Adjusted EBIT**

Adjusted EBIT is defined as the EBIT excluding certain items which do not reflect the Corporation's core performance or where their separate presentation will assist users of the consolidated financial statements in understanding the Corporation's results for the period. Such items include restructuring charges (reversals)<sup>(1)</sup>, loss (gain) related to disposal of business<sup>(2)</sup>, impairment and program termination (reversals)<sup>(3)</sup>, certain one-time pension related items included in other expense (income) such as loss (gain) on pension annuity purchases, and non-commercial legal claims. Management uses adjusted EBIT for purposes of evaluating underlying business performance. Management believes presentation of this non-GAAP operating earnings measure in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

### **Adjusted EBITDA**

Adjusted EBITDA is defined as the EBIT excluding restructuring charges (reversals)<sup>(1)</sup>, loss (gain) related to disposal of business<sup>(2)</sup>, impairment and program termination (reversals)<sup>(3)</sup>, certain one-time pension related items included in other expense (income) such as loss (gain) on pension annuity purchases, non-commercial legal claims, and amortization charges on PP&E and intangible assets. Management uses adjusted EBITDA for purposes of evaluating underlying business performance. Management believes this non-GAAP operating earnings measure in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business, since it excludes the effects of items that are usually associated with investing or financing activities and items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

### **Adjusted net income (loss)**

Adjusted net income (loss) is defined as the net income (loss) from continuing operations adjusted for certain specific items that are significant but are not, based on management's judgment, reflective of the Corporation's underlying operations. These include adjustments related to restructuring charges (reversals)<sup>(1)</sup>, loss (gain) related to disposal of business<sup>(2)</sup>, impairment and program termination (reversals)<sup>(3)</sup>, certain one-time pension related items included in other expense (income) such as loss (gain) on pension annuity purchases, non-commercial legal claims, certain net gains and losses arising from changes in measurement of provisions and of financial instruments carried at FVTP&L, accretion on net retirement benefit obligation, losses (gains) on repayment of long-term debt, changes in discount rates of provisions and the related tax impacts of these items. Management uses adjusted net income (loss) for purposes of evaluating underlying business performance. Management believes this non-GAAP earnings measure in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increase the transparency and clarity of the core results of our business. Adjusted net income (loss) excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

<sup>(1)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(2)</sup> Includes changes in provisions related to past divestitures.

<sup>(3)</sup> Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any. For fiscal year 2023, includes impairment of \$85 million related to an aircraft product upgrade, started in 2018 and paused in 2020.

## Adjusted EPS

Adjusted EPS is defined as the adjusted net income (loss) attributable to equity shareholders of Bombardier Inc., divided by the weighted-average diluted number of common shares for the period. Management uses adjusted EPS for purposes of evaluating underlying business performance. Management believes this non-GAAP financial ratio in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business. Adjusted EPS excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

## Adjusted EBIT margin

Adjusted EBIT margin is defined as the adjusted EBIT expressed as a percentage of total revenues. Management uses adjusted EBIT margin for purposes of evaluating underlying business performance. Management believes this non-GAAP financial ratio in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increase the transparency and clarity of the core results of our business. Adjusted EBIT margin excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

## Adjusted EBITDA margin

Adjusted EBITDA margin is defined as the adjusted EBITDA expressed as a percentage of total revenues. Management uses adjusted EBITDA margin for purposes of evaluating underlying business performance. Management believes this non-GAAP financial ratio in addition to IFRS measures provides users of our Financial Report with enhanced understanding of our results and related trends and increase the transparency and clarity of the core results of our business. Adjusted EBITDA margin excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on this financial measure. Management believes this measure helps users of the MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

## Reconciliation of adjusted EBIT to EBIT and computation of adjusted EBIT margin

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
<b>EBIT</b>	<b>\$ 342</b>	<b>\$ 211</b>	<b>\$ 878</b>	<b>\$ 793</b>
Restructuring charges (reversals) <sup>(1)</sup>	4	1	3	1
Loss (gain) related to disposal of business <sup>(2)</sup>	—	(19)	—	(81)
Impairment and program termination (reversals) <sup>(3)</sup>	3	82	2	83
Non-commercial legal claims	—	—	25	—
Pension related items <sup>(4)</sup>	7	3	7	3
<b>Adjusted EBIT</b>	<b>\$ 356</b>	<b>\$ 278</b>	<b>\$ 915</b>	<b>\$ 799</b>
Total revenues	<b>\$ 3,108</b>	<b>\$ 3,062</b>	<b>\$ 8,665</b>	<b>\$ 8,046</b>
<b>Adjusted EBIT margin</b>	<b>11.5 %</b>	<b>9.1 %</b>	<b>10.6 %</b>	<b>9.9 %</b>

<sup>(1)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(2)</sup> Includes changes in provisions related to past divestitures.

<sup>(3)</sup> Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any. For fiscal year 2023, includes impairment of \$85 million related to an aircraft product upgrade, started in 2018 and paused in 2020.

<sup>(4)</sup> Includes the loss related to the purchase of pension annuities. See Note 22 - Retirement benefits, to our Consolidated financial statements, for more information.

## Reconciliation of adjusted EBITDA to EBIT and computation of adjusted EBITDA margin

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
<b>EBIT</b>	<b>\$ 342</b>	<b>\$ 211</b>	<b>\$ 878</b>	<b>\$ 793</b>
Amortization	157	180	445	431
Restructuring charges (reversals) <sup>(1)</sup>	4	1	3	1
Loss (gain) related to disposal of business <sup>(2)</sup>	—	(19)	—	(81)
Impairment and program termination (reversals) <sup>(3)</sup>	3	82	2	83
Non-commercial legal claims	—	—	25	—
Pension related items <sup>(4)</sup>	7	3	7	3
<b>Adjusted EBITDA</b>	<b>\$ 513</b>	<b>\$ 458</b>	<b>\$ 1,360</b>	<b>\$ 1,230</b>
Total revenues	\$ 3,108	\$ 3,062	\$ 8,665	\$ 8,046
<b>Adjusted EBITDA margin</b>	<b>16.5 %</b>	<b>15.0 %</b>	<b>15.7 %</b>	<b>15.3 %</b>

## Reconciliation of adjusted net income to net income and computation of adjusted EPS

	Fourth quarters ended December 31			
	2024 (per share)		2023 (per share)	
<b>Net income from continuing operations</b>	<b>\$ 124</b>		<b>\$ 215</b>	
Adjustments to EBIT related to:				
Restructuring charges (reversals) <sup>(1)</sup>	4	0.04	1	0.01
Loss (gain) related to disposal of business <sup>(2)</sup>	—	0.00	(19)	(0.19)
Impairment and program termination (reversals) <sup>(3)</sup>	3	0.03	82	0.83
Pension related items <sup>(4)</sup>	7	0.07	3	0.03
Adjustments to net financing expense related to:				
Net loss (gain) on certain financial instruments	165	1.64	(162)	(1.65)
Accretion on net retirement benefit obligations	8	0.07	6	0.06
Losses on repayment of long-term debt	—	0.00	16	0.16
Changes in discount rates of provisions	—	0.00	1	0.01
<b>Adjusted net income</b>	<b>311</b>		<b>143</b>	
Preferred share dividends, including taxes	(8)		(8)	
<b>Adjusted net income attributable to equity holders of Bombardier Inc.</b>	<b>\$ 303</b>		<b>\$ 135</b>	
Weighted-average adjusted diluted number of common shares (in thousands)	100,548		98,409	
<b>Adjusted EPS (in dollars)</b>	<b>\$ 3.01</b>		<b>\$ 1.37</b>	

<sup>(1)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(2)</sup> Includes changes in provisions related to past divestitures.

<sup>(3)</sup> Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any. For fiscal year 2023, includes impairment of \$85 million related to an aircraft product upgrade, started in 2018 and paused in 2020.

<sup>(4)</sup> Includes the loss related to the purchase of pension annuities. See Note 22 - Retirement benefits, to our Consolidated financial statements, for more information.

## Reconciliation of adjusted EPS to diluted EPS (in dollars)

	Fourth quarters ended December 31	
	2024	2023
<b>Diluted EPS from continuing operations</b>	<b>\$ 1.16</b>	<b>\$ 2.11</b>
Impact of adjustment to EBIT related to:		
Restructuring charges (reversals) <sup>(1)</sup>	<b>0.04</b>	0.01
Loss (gain) related to disposal of business <sup>(2)</sup>	<b>0.00</b>	(0.19)
Impairment and program termination (reversals) <sup>(3)</sup>	<b>0.03</b>	0.83
Pension related items <sup>(4)</sup>	<b>0.07</b>	0.03
Adjustments to net financing expense related to:		
Net loss (gain) on certain financial instruments	<b>1.64</b>	(1.65)
Accretion on net retirement benefit obligations	<b>0.07</b>	0.06
Losses on repayment of long-term debt	<b>0.00</b>	0.16
Changes in discount rates of provisions	<b>0.00</b>	0.01
<b>Adjusted EPS</b>	<b>\$ 3.01</b>	<b>\$ 1.37</b>

## Reconciliation of adjusted net income to net income and computation of adjusted EPS

	Fiscal years ended December 31			
		2024	2023	
		(per share)	(per share)	
<b>Net income from continuing operations</b>	<b>\$ 370</b>		<b>\$ 490</b>	
Adjustments to EBIT related to:				
Restructuring charges (reversals) <sup>(1)</sup>	<b>3</b>	<b>0.03</b>	1	0.01
Loss (gain) related to disposal of business <sup>(2)</sup>	<b>—</b>	<b>0.00</b>	(81)	(0.83)
Impairment and program termination (reversals) <sup>(3)</sup>	<b>2</b>	<b>0.02</b>	83	0.85
Non-commercial legal claims	<b>25</b>	<b>0.25</b>	—	0.00
Pension related items <sup>(4)</sup>	<b>7</b>	<b>0.07</b>	3	0.03
Adjustments to net financing expense related to:				
Net loss (gain) on certain financial instruments	<b>(21)</b>	<b>(0.21)</b>	(160)	(1.64)
Accretion on net retirement benefit obligations	<b>34</b>	<b>0.33</b>	25	0.26
Losses on repayment of long-term debt	<b>127</b>	<b>1.27</b>	54	0.55
Changes in discount rates of provisions	<b>—</b>	<b>0.00</b>	1	0.01
<b>Adjusted net income</b>	<b>547</b>		416	
Preferred share dividends, including taxes	<b>(31)</b>		(31)	
<b>Adjusted net income attributable to equity holders of Bombardier Inc.</b>	<b>\$ 516</b>		<b>\$ 385</b>	
Weighted-average adjusted diluted number of common shares (in thousands)	<b>99,966</b>		97,721	
<b>Adjusted EPS (in dollars)</b>	<b>\$ 5.16</b>		<b>\$ 3.94</b>	

<sup>(1)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(2)</sup> Includes changes in provisions related to past divestitures.

<sup>(3)</sup> Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any. For fiscal year 2023, includes impairment of \$85 million related to an aircraft product upgrade, started in 2018 and paused in 2020.

<sup>(4)</sup> Includes the loss related to the purchase of pension annuities. See Note 22 - Retirement benefits, to our Consolidated financial statements, for more information.

## Reconciliation of adjusted EPS to diluted EPS (in dollars)

	Fiscal years ended December 31	
	2024	2023
<b>Diluted EPS from continuing operations</b>	<b>\$ 3.40</b>	<b>\$ 4.70</b>
Impact of adjustment to EBIT related to:		
Restructuring charges (reversals) <sup>(1)</sup>	<b>0.03</b>	0.01
Loss (gain) related to disposal of business <sup>(2)</sup>	<b>0.00</b>	(0.83)
Impairment and program termination (reversals) <sup>(3)</sup>	<b>0.02</b>	0.85
Non-commercial legal claims	<b>0.25</b>	0.00
Pension related items <sup>(4)</sup>	<b>0.07</b>	0.03
Adjustments to net financing expense related to:		
Net loss (gain) on certain financial instruments	<b>(0.21)</b>	(1.64)
Accretion on net retirement benefit obligations	<b>0.33</b>	0.26
Losses on repayment of long-term debt	<b>1.27</b>	0.55
Changes in discount rates of provisions	<b>0.00</b>	0.01
<b>Adjusted EPS</b>	<b>\$ 5.16</b>	<b>\$ 3.94</b>

<sup>(1)</sup> Includes severance charges or related reversal, as well as curtailment losses (gains), if any.

<sup>(2)</sup> Includes changes in provisions related to past divestitures.

<sup>(3)</sup> Includes impairment or reversal of impairment of PP&E and intangible assets, as well as provisions related to program termination or their related reversal, if any. For fiscal year 2023, includes impairment of \$85 million related to an aircraft product upgrade, started in 2018 and paused in 2020.

<sup>(4)</sup> Includes the loss related to the purchase of pension annuities. See Note 22 - Retirement benefits, to our Consolidated financial statements, for more information.

## Free cash flow (usage)

Free cash flow (usage) is defined as cash flows from operating activities - continuing operations less net additions to PP&E and intangible assets. Management believes that this non-GAAP cash flow measure provides investors with an important perspective on the Corporation's generation of cash available for shareholders, debt repayment, and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. This non-GAAP cash flow measure does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt. Management uses free cash flow (usage) as a measure to assess both business performance and overall liquidity generation.

## Reconciliation of free cash flow (usage) to cash flows from operating activities

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2024	2023	2024	2023
<b>Cash flows from operating activities - continuing operations</b>	<b>\$ 860</b>	<b>\$ 740</b>	<b>\$ 405</b>	<b>\$ 623</b>
Net additions to PP&E and intangible assets	<b>(46)</b>	(94)	<b>(173)</b>	(366)
<b>Free cash flow</b>	<b>\$ 814</b>	<b>\$ 646</b>	<b>\$ 232</b>	<b>\$ 257</b>

## Available liquidity

Available liquidity is defined as cash and cash equivalents plus undrawn amounts under credit facilities.

Management believes that this non-GAAP financial measure provides investors with an important perspective on the Corporation's ability to meet expected liquidity requirements, including the support of product development initiatives and to ensure financial flexibility. This measure does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

## Reconciliation of available liquidity to cash and cash equivalents

As at	December 31, 2024		December 31, 2023	
<b>Cash and cash equivalents</b>	<b>\$</b>	<b>1,653</b>	<b>\$</b>	<b>1,594</b>
Undrawn amounts under available revolving credit facility <sup>(1)</sup>		<b>429</b>		<b>251</b>
<b>Available liquidity</b>	<b>\$</b>	<b>2,082</b>	<b>\$</b>	<b>1,845</b>

<sup>(1)</sup> A committed secured revolving credit facility of \$450 million is available for cash drawings for the ongoing working capital needs of the Corporation and for issuance of performance letters of credit. This facility was undrawn as at December 31, 2024 and the availability as at such date was \$429 million based on the collateral, which may vary from time to time.

### Adjusted net debt

Adjusted net debt is defined as long-term debt less cash and cash equivalents. Management believes that this non-GAAP financial measure is a useful measure because it reflects the Corporation's ability to service its debt and other long term obligations. This measure does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

### Adjusted net debt to adjusted EBITDA ratio

Management uses adjusted net debt to adjusted EBITDA ratio as a useful credit measure for purposes of measuring the Corporation's ability to service its debt and other long-term obligations. This non-GAAP financial ratio does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

## Reconciliation of adjusted net debt to long-term debt and computation of adjusted net debt to adjusted EBITDA ratio

	Fiscal years ended December 31	
	2024	2023
<b>Long-term debt</b>	<b>\$ 5,545</b>	<b>\$ 5,607</b>
Less: Cash and cash equivalents	<b>1,653</b>	<b>1,594</b>
<b>Adjusted net debt</b>	<b>\$ 3,892</b>	<b>\$ 4,013</b>
Adjusted EBITDA	<b>\$ 1,360</b>	<b>\$ 1,230</b>
<b>Adjusted net debt to adjusted EBITDA ratio</b>	<b>2.9</b>	<b>3.3</b>

# OTHER

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OFF-BALANCE SHEET ARRANGEMENTS	RISKS AND UNCERTAINTIES	FINANCIAL INSTRUMENTS	RELATED PARTY TRANSACTIONS	CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES	CONTROLS AND PROCEDURES
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# OFF-BALANCE SHEET ARRANGEMENTS

Refer to Note 36 – Commitments and contingencies, to the consolidated financial statements.

## RISKS AND UNCERTAINTIES

We operate in an industry segment which presents a variety of risk factors and uncertainties. The risks and uncertainties described below are those that we currently believe could materially affect our business activities, financial condition, cash flows, results of operations and reputation, but are not necessarily the only risks and uncertainties that we face. If any of these risks, or any additional risks and uncertainties presently unknown to us or that we currently consider as being not material, actually occur or become material risks, our business activities, financial condition, cash flows, results of operations and reputation could be materially adversely affected.

OPERATIONAL RISK	Operational risk is the risk of potential loss due to the nature of our operations. Sources of operational risk include development of new business and obtaining new contracts, order backlog, cost reductions and working capital improvements, development of new products and services, and the complexity of obtaining certification of products and services. Furthermore, our cash flows are subject to pressures based on seasonality and cyclicity, and our business is capital intensive, which require that we regularly incur significant capital expenditures and investment over multi-year periods prior to realizing cash flows. Other sources of operational risk include our internal processes, including our ability to successfully implement our strategy, manufacturing and productivity enhancements and operational efficiencies, and actions of business partners, product performance warranty and casualty claim losses, the use of estimates and judgments in accounting, regulatory and legal conditions, environmental, health and safety issues, as well as dependence on a limited number of customers and contracts, suppliers (including supply chain management) and human resources. We are also subject to risks related to reliance on information systems, reliance on and protection of intellectual property rights, reputation risks, our sustainability and corporate social responsibility strategy and disclosures, risks of impairments and asset write-downs, acquisitions, risk management, tax matters and adequacy of insurance coverage.
FINANCING RISK	Financing risk is the risk of potential loss due to the liquidity of our financial assets including counterparty credit risk, access to capital markets, having substantial debt and interest payments (and being able to properly manage those), restrictive debt covenants, obligations under retirement benefit plans, credit risk, financing support provided for the benefit of certain customers and government support.
REGULATORY AND LEGAL RISK	Regulatory and legal risk is the risk of potential loss due to legal claims, lawsuits and investigations in connection with our business operations and contractual arrangements. It includes the risk of material losses which may be incurred following adverse judgements or findings against us, the risk of reputational harm which may put us at a disadvantage for future orders and the risk that certain litigation could materially adversely affect our business, financial results and cash flows.
GENERAL ECONOMIC RISK	General economic risk is the risk of potential loss due to unfavourable political conditions or economic slowdowns globally or in regions where we or our suppliers or customers operate. These factors include, but are not limited to, epidemics, pandemics, and other global health crises that could result in potential economic slowdowns or recession, and declining business confidence, which can result in slowdowns to our business, and those of our suppliers, customers and other counterparties.
BUSINESS ENVIRONMENT RISK	Business environment risk is the risk of potential loss due to external risk factors. These factors may include the financial condition of the business aircraft customers, trade policy (including new tariffs or changes to existing international trade arrangements), as well as increased competition from other businesses including new entrants in market segments in which we compete. In addition, political instability, geopolitical tensions and force majeure events, such as acts of terrorism, global climate change (including both physical risks to our operations and properties, and transition risks of environmental regulations affecting our operations, suppliers and customers), global health risks, or the outbreak of military conflict or continued hostilities in certain regions of the world, could result in lower orders or the rescheduling or cancellation of part of the existing order backlog for some of our products, or prohibitions or impediments to expanding our business in certain regions of the world.
MARKET RISK	Market risk is the risk of potential loss due to adverse movements in market factors including foreign currency fluctuations, changing interest rates, increases in commodity prices and rising inflation.

## Operational risk

### ***Business development***

Our business is dependent on obtaining new orders and customers, thus continuously replenishing our order backlog. Our results may also be negatively impacted if we are unable to effectively execute strategies to capture growth. Although we have developed and continue to develop our presence in many geographic markets, access to certain markets can prove to be difficult to secure.

In addition, fluctuating demand cycles are common in the industry in which we operate and can have a significant impact on the volume of new aircraft orders. Our estimates of future performance depend on, among other matters, whether and when we receive new orders.

### ***Our order backlog may not be indicative of future revenues***

Backlog represents management's estimate of the aggregate amount of the revenues expected to be realized in the future. The termination, modification, delay, or suspension of any one or more major contracts may have a material adverse effect on future revenues and profitability. We cannot guarantee that the revenues initially anticipated in our new orders will be realized in full, in a timely manner, or at all, or that, even if realized, such revenues will result in profits or cash generation as expected, and any shortfall may be significant. The materialisation of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows and results of operations.

### ***Deployment and execution of initiatives related to cost reductions and working capital improvement***

The Corporation relies on its ability to improve cash generation, reduce costs and drive performance through continuous improvement and continued future deployment of such initiatives. As with any large, company-wide initiatives, there are inherent risks in the timing of the deployment and in the planned value to be achieved. The timing and magnitude of the specific initiatives and associated benefits, if any, could be affected by a multitude of external and internal factors including, but not limited to: the evolution of the demands and requirements of our business, variations in planned production volumes and schedules, the outcome of negotiations with suppliers and unions, changing legislation, changes in socio-economic conditions in the countries in which we operate, evolutions in the labour market for key talent, and changes in the priorities of the business. There can be no assurance that these initiatives, or other initiatives, will enable us to reach our objectives, or that any such measures will be implemented successfully or within the set time frame. A failure to successfully implement our strategy and initiatives, including as regards debt management and costs reduction, or if such measures prove insufficient, could have a material adverse impact on our business activities, financial condition, profitability and outlook.

### ***Executing our manufacturing strategy and productivity enhancement initiatives***

One of the priorities established by management consists of sustained efforts in the areas of cost reduction and productivity enhancement/operational efficiencies. This priority aims in part at leveraging the strength of our engineering and manufacturing centers of excellence. In addition, our cost reduction and operational efficiencies/productivity enhancement efforts also focus on further implementing and leveraging our standardized product and service platforms. We believe that flexible manufacturing is the key element to enable improvements in our ability to respond to customers in a cost-effective manner. Our success in implementing this is dependent on the involvement of management, production employees and suppliers. Any failure to achieve cost reduction and operational efficiencies/productivity enhancement priorities (including the anticipated levels of productivity and operational efficiencies) in our manufacturing facilities, could have a material adverse impact on our business activities, financial condition, profitability and outlook.

## ***Developing new products and services***

Changes resulting from global trends such as climate change, volatile fuel prices, the growth of developing markets, population growth and demographic factors influence customer demands. To remain competitive and meet customers' needs, we are required to anticipate these changes and must continuously develop and design new products and services, improve existing products and services and invest in and develop new technologies. Introducing new products, services or technologies, or expanding existing service offerings, requires a significant commitment to R&D, capital and other investment, including maintaining a significant level of highly skilled employees.

Furthermore, our investments in new products, services or technologies, or expanding existing service offerings, may or may not be successful. Our results may be impacted if we invest in products or services that are not accepted in the marketplace, if customer demand or preferences change, if new products are not approved by regulatory authorities (or if we fail to design or obtain certification or accreditation for new products or technologies), are not brought to market in a timely manner, in particular, as compared to our competitors, or if our products become obsolete. We may incur cost overruns in developing new products and there is the risk that our products will not meet performance specifications to which we have committed to customers.

Our results could also be negatively impacted if we fail to design or obtain accreditation for new technologies and platforms on budget and in a timely manner. Further, our long-term growth, competitiveness and continued profitability are dependent on our ability to anticipate and adapt to changes in markets and to reduce the costs of producing high-quality, new and existing products, to continue to develop our product mix and to align our global presence with worldwide market opportunities.

In a highly competitive environment, we are and will remain exposed to the risk that more innovative or more competitive products, services or technologies are developed by competitors or introduced on the market more quickly or that the products we develop or services we offer are not accepted by the market.

## ***Certification process***

We are subject to stringent certification and approval requirements, as well as to the ability of regulatory bodies to perform these assessments on a timely basis, which vary by country and can delay the certification of our products. Non-compliance with current or future regulatory requirements imposed by Transport Canada (TC), the U.S. Federal Aviation Administration (FAA), the European Aviation Safety Agency (EASA), the Transport Safety Institute in the U.S. or other regulatory authorities could result in service interruption of our products, fewer sales or slower deliveries, an unplanned build-up of inventories, reduction in inventory values or impairment of assets.

## ***Cash flows and capital expenditures***

Our business is cyclical and highly capital intensive due to its nature. In the ordinary course of our business, the structure and duration of our product development programs require us to invest significantly in engineering, development and production for many years before deliveries are made and the product begins to generate cash flow. In addition, we are regularly required to incur capital expenditures in order to, among other matters, maintain equipment, increase operating efficiency, develop and design new products, improve existing products and services, invest in and develop new technologies and maintain a significant level of highly skilled employees. Our ability to negotiate and collect customer advances and progress payments is therefore an important element of our cash flow and working capital management. Discrepancies between our disbursements and amounts received on orders placed, or even any reduction in the overall number and size of orders placed have an automatic adverse impact on the evolution in working capital requirements and results of operations. Similarly, delays in the delivery and final transfer of possession to purchasers of our aircraft may have an adverse impact on our working capital and results of operations.

## ***Seasonality and cyclicity of financial results***

Our cash flows are subject to periodic fluctuations and we expect a disproportionate amount of our cash flows to be received or paid by us during any given quarter. We expect this trend to continue, but may be disturbed by the

volatile geopolitical environment, supply chain and/or labour disruptions. In particular, as a result of fourth quarter cash receipts, at December 31 of each year, our cash and cash equivalents balances typically reach their highest level (other than as a result of cash flows provided by or used in investing and financing activities). Our interim and annual results can be affected by these periodic fluctuations, including as a result of timing variations that could push cash flows from one quarter to another.

### ***Business partners***

The failure by a business partner to comply with applicable laws, rules or regulations, or contract requirements, could negatively impact our business and could even result in fines, penalties, suspension or even debarment being imposed on us, which could have a material adverse impact on our reputation, business, financial condition and results of operations.

### ***Product performance warranty and casualty claim losses***

The products that we manufacture are highly complex and sophisticated and may contain defects that are difficult to detect or correct. These products are subject to detailed specifications, which are listed in the individual contracts with customers, as well as to stringent certification or approval requirements. Defects may be found in products before and after they are delivered to the customer. When discovered, we may incur significant additional costs to modify and/or retrofit our products and we may not be able to correct defects in a timely manner or at all. The occurrence of defects and failures in our products could give rise to non-conformity costs, including warranty and damage claims, negatively affect our reputation and profitability and result in the loss of customers. Correcting such defects, if possible, could require significant investment.

In addition, due to the nature of our business, liability claims may arise from accidents, incidents or disasters involving products and services that we have provided, including claims for serious personal injuries or death. These accidents may be caused by climatic factors or human error. If any of our products is proven to have quality issues, fails to meet the national or industrial standards or has potential risks to the safety of human and properties, we may have to recall such products, be subject to penalties, have our operating licences or permits revoked, suspend production and sale of our products, or be ordered to take corrective measures. A product recall may also affect our reputation and brand name, result in a decreased demand for our products and lead to stricter scrutiny by regulatory agencies over our operations.

We cannot be certain that current insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, there can be no assurance that we will be able to obtain or maintain insurance coverage at acceptable levels and costs or terms in the future.

### ***Environmental, health and safety risks***

Our products, as well as our manufacturing and service activities, are subject to environmental laws and regulations in each of the jurisdictions in which we operate, governing, among other things, product performance or materials content, energy use and greenhouse gas emissions, air, water and noise pollution, the use, storage, labelling, transportation and disposal or release of hazardous substances, human health and safety risks arising from the exposure to hazardous or toxic materials or defective products and the remediation of soil and groundwater contamination on or under our properties (whether or not caused by us), or on or under other properties and caused by our current or past operations, including our disposal of hazardous wastes at third party sites. These laws and regulations may cause us to incur costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in our operations, and may negatively impact our reputation and the market for our products.

Environmental, health and safety regulatory requirements, or enforcement thereof, may become more stringent in the future and we may incur additional costs to be compliant with such future requirements or enforcement. In addition, we may have contractual or other liabilities for environmental matters relating to business, products or properties that we have in the past closed, sold or otherwise disposed of, or will close, sell or dispose of in the future.

## ***Dependence on limited number of contracts and customers***

In any given period, a limited number of contracts, orders or customers may account for a significant portion of our revenues and cash flows for some of our products. Although we constantly seek to expand our customer base, we believe that revenues and results for any given period may continue to be significantly affected by a limited number of contracts, orders or customers due to the nature of some of our products. Consequently, the loss of such a customer or changes to their orders, or cancellation of all or a portion of their contract could result in fewer sales and/or a lower market share, and may have a material adverse impact on our business, results, cash flows and financial position.

## ***Supply chain risks***

Our manufacturing operations are dependent on a number of suppliers, located in numerous countries around the world, for the delivery of raw materials (mainly aluminum, advanced aluminum alloy and titanium) and parts and major systems (such as engines, wings, nacelles, hardware, landing gear, avionics, flight controls and fuselages). Certain of our suppliers are specialized in what they deliver with limited options for alternative suppliers.

Recently, widening geopolitical fractures intensified global supply chain imbalances. Furthermore, conservative and protective behaviors from businesses and governments, such as increasing demand and hoarding, restrictions or limits on exports, as well as increased competition for critical electrical components, products and commodities, and commodity-based products, have also intensified and may hinder our ability to secure such goods and commodities in a timely fashion or at budgeted costs or both.

Our production and supply chain for many key components, parts and systems in our aircraft is integrated across Canada, the United States and Mexico. Slow-downs or shut-downs (even temporary) of land border crossings between Mexico and the United States, or between the United States and Canada, where such components, parts and systems are normally transported by vehicle could have significant impacts on our production schedules, our ability to deliver aircraft to customers within agreed to timeframes or our ability to service customers' aircraft in a timely and efficient manner. Such slow-downs or shut-downs may also require us to use alternative transportation options, increasing expenses, time and logistical complexity.

Disruptions in our supply chain may impact our ability to meet delivery schedules and support Services needs, and could negatively affect our manufacturing costs. Moreover, failure by one or more suppliers to meet performance specifications, quality standards or delivery schedules could adversely affect our ability to meet our commitments to customers, in particular if we are unable to purchase the key components and parts from those suppliers upon agreed terms or in a cost-effective manner and if we cannot find alternative suppliers on commercially acceptable terms in a timely manner. We may not be able to recover any costs or liability we incur (including liability to our customers) as a result of any such failure from the applicable supplier, which could have a material adverse effect on our financial condition, results of our operations and reputation. Delays and volatility specific to our supply chain requirements could also ultimately have an overall negative impact on our ability to compete on the market, our client relationships, and our growth.

Some of our suppliers participate in the development of products such as aircraft or platforms or newer technologies for aircraft. The advancement of many of our new product development programs also relies on the performance of these key suppliers and, therefore, supplier delays which go unmitigated could result in delays to a program as a whole. These suppliers subsequently deliver major components and own some of the intellectual property related to key components they have developed. Our contracts with these suppliers are therefore on a long-term basis. The replacement of such suppliers, if possible, could be costly and take a significant amount of time.

Our dependence on foreign suppliers and subcontractors and our global operations subjects us to a variety of risks and uncertainties. All of our direct suppliers must comply with our Supplier Code of Conduct, which formalizes our expectations with respect to suppliers' business standards, and is designed to ensure that each of our suppliers' operations are conducted in a legal, ethical, and responsible manner. Increasingly, governments around the globe are requiring that businesses produce reports on the steps they have taken to prevent and reduce the risk that forced labor or child labor is used at any step of the production of their goods, including through the entire supply chain. Our suppliers are required to flow down the requirements of the Supplier Code of

Conduct to their supply chain. However, we do not control our independent suppliers or those indirect suppliers and companies with whom they do business and cannot guarantee their compliance with our Supplier Code of Conduct and with applicable laws and regulations or that violations will be reported to us in a timely manner. Any violation of applicable laws and regulations or failure to use ethical business practices by one or more third-party subcontractors or suppliers, including laws and regulations related to, among other things, labour practices, health and safety, and environmental protection, could also materially adversely affect our business and reputation and, in the case of government contracts, could result in fines, penalties, suspension or even debarment being imposed on us.

### ***Human resources (including collective agreements)***

Our senior executives have extensive experience in the industry in which we operate and with our business, suppliers, products, services and customers. The loss of management knowledge, expertise and technical proficiency as a result of the loss of one or more members of our core management team could result in a diversion of management resources or a temporary executive gap, and negatively affect our ability to develop and pursue other business strategies, which could materially adversely affect our business and financial results.

Employment market competition is fierce when it comes to hiring the highly qualified managers and specialists needed to complete the work we require, particularly in certain emerging countries. In many of our business areas we intend to expand our business activities, for which we will need highly skilled employees. The success of our development plans depends, in part, on our ability to develop skills, to retain employees, and to recruit and integrate additional managers and skilled employees. Human resource risk includes the risk of delays in the recruitment of or inability to retain and motivate highly skilled employees, including those involved in R&D and manufacturing activities that are essential to our success. There is no guarantee that we will be successful in recruiting, integrating and retaining such employees as needed to accompany our business development, in particular in emerging countries. Conversely, the measures to adapt headcount to evolution in demand may result in pressures from our workforce and social risks, which may have an adverse impact on our expected costs reductions and production capacities.

In addition, we are party to several collective agreements that are due to expire at various times in the future. An inability to renew these collective agreements on mutually agreeable terms, as they become subject to renegotiation from time to time, could result in work stoppages or other labour disturbances such as strikes, walkouts or lock-outs, and/or increased costs of labour, which could adversely affect our ability to deliver products and services in a timely manner and on budget and could adversely affect our financial condition and results.

Additionally, as a result of our continuing review of our business and processes to reduce costs, improve our manufacturing platform, and better position ourselves in the marketplace, it may be necessary to curtail production or permanently shut down facilities, leading to the transfer of employees to new production facilities and processes or to the reduction of our workforce. This could materially adversely impact our relationship with our employees, as well as result in asset write-downs at affected facilities.

### ***Reliance on information systems***

We rely on a number of technology and information systems to effectively manage all aspects of our business and operations. Like those of other large multinational companies, our technology and information systems may be vulnerable to a variety of sources of failure, interruption or misuse, including by reason of natural disasters, failure to effectively implement or transition to new systems cybersecurity threats and attacks, network communication failures, computer viruses and other security threats to the confidentiality, availability and integrity of our systems. More specifically, cybersecurity incidents may take the form of system failures and non-availability, cyber-attacks, cyber extortion (including ransomware), breaches of systems' security, electronic crime, malware, unauthorized attempts to gain access to our proprietary and sensitive information, hacking, phishing, identity theft, theft of intellectual property and confidential information, denial-of-service attacks aimed at causing network failures and services interruption, and other cybersecurity threats to our information technology infrastructure and systems. Information security risks have increased in recent years due to the proliferation of new technologies, including those powered by artificial intelligence, and the increased sophistication of perpetrators of cyber-attacks, which are further accentuated by increasing geopolitical tensions.

Information contained in our systems may include proprietary, sensitive and/or personal information on our customers, suppliers, partners, employees, business information, research and development activities and our intellectual property. Unauthorized third parties may be able to penetrate our network security and misappropriate or compromise our confidential information, deploy viruses, worms and other malware or phishing that would exploit any security vulnerabilities in our management information systems, create system disruptions or cause machinery or plant shutdowns. Such attacks could potentially lead to the publication, manipulation or leakage of information, including the information of our customers', employees', suppliers', shareholders' or business contacts' proprietary, confidential or personal data information, improper use of our systems, defective products, production downtimes, and supply shortages, and result in third-party claims against us, reputational harm, regulatory fines or financial loss. Unauthorized use of artificial intelligence tools by employees may also give rise to inappropriate disclosure of confidential information. Our partners and suppliers also face risks of unauthorized access to their information systems which may be integrated in Bombardier operations or may contain our confidential information. If they are affected, it could also adversely affect Bombardier's business, financial condition, results of operations or reputation. The Cyber Security team, under the direction of the Chief Information Security Officer, and with support of the Chief Transformation Officer (who is the Executive Vice-President responsible for IT and transformation at Bombardier) and the Chief Information Officer among others, supervises and maintains technical and process controls, enforcement and comprehensive monitoring of systems and networks designed to prevent, detect and respond to unauthorized activity in our systems. The Chief Transformation Officer provides presentations to the Audit Committee of the Board on a quarterly basis regarding IT (including cybersecurity) and other technology developments at the Corporation. Considering the complexity and evolving nature of the threats, as well as the unpredictability of the timing, nature and scope of disruptions from such threats, we cannot ensure that the measures taken are or will be sufficient to counter any such unauthorized access to information systems, nor that our assessment and mitigation measures are or will be sufficient to avoid, or mitigate the impact of a system failure.

The integrity, reliability and security of information in all forms are critical to our success. Inaccurate, incomplete or unavailable information and/or inappropriate access to information could lead to incorrect financial and/or operational reporting, poor decisions, delayed reaction times to the resolution of problems, privacy breaches and/or inappropriate disclosure or leaking of sensitive information. Any system failure, excessive delays or disruptions in implementing or transitioning to new systems, cyber-attack or a breach of systems could result in disruption of activities and operational delays, information losses, significant remediation costs, increased cybersecurity costs, lost revenues due to a disruption of activities, diminished competitive advantage and/or litigation and reputational harm affecting customer and investor confidence, which could materially adversely affect our business, financial condition, and results of our operations. Material losses may be incurred related to the foregoing beyond the limits or outside the coverage of current insurance and existing provisions for such losses may not be sufficient to cover the ultimate loss or expenditure. We may also be unable to maintain insurance to cover these risks at acceptable costs or terms, and may elect not to purchase insurance coverage against certain risks. Furthermore, media or other reports of perceived security vulnerabilities of our systems, even if no breach has been attempted or had occurred, could adversely impact our brand and reputation and materially impact our business and financial results.

### ***Reliance on and protection of intellectual property***

We regularly apply for new patents and actively manage our intellectual property portfolio to secure our technological position. However, our patents and other intellectual property may not prevent competitors from independently developing, or obtaining through licensing, alternative technologies that are substantially equivalent or superior to ours, and we cannot provide assurance that the measures we have taken will be sufficient to prevent any misuse or misappropriation of our intellectual property. Furthermore, we cannot assure that all our registration applications will be successful, or our registered intellectual property rights will not be subject to any objection. We may be limited in our ability to acquire or enforce our intellectual property rights in some countries. Litigation related to our intellectual property rights could be lengthy and costly and could negatively affect our operations or financial results, whether or not we are successful in defending a claim. If the steps we have taken and the protection afforded by law do not adequately safeguard our intellectual property rights, or we are not able to register or defend our intellectual property rights, and our competitors exploit our intellectual property in the manufacture and sale of competing products in the markets we operate, such events could materially and adversely affect our business.

We could also face claims by others that we are improperly using intellectual property owned by them or otherwise infringing their rights in intellectual property. Irrespective of the validity or the successful assertion of such claims, we could incur costs in either defending or settling any intellectual property disputes alleging infringement. Adverse rulings in any litigation or proceeding could result in the loss of our proprietary rights and subject us to significant liabilities or even business disruption. Any potential intellectual property litigation against us could also force us to, among other things, cease selling the challenged products, develop non-infringing alternatives or obtain licences from the owner of the infringed intellectual property. We may not be successful in developing such alternatives or in obtaining such licences on reasonable terms or at all, which could damage our reputation and affect our financial condition and profitability.

Adverse publicity related to incidents, claims or litigation involving us or our suppliers or subcontractors may impact our reputation and brand.

### ***Reputation risks***

Reputational risk may arise under many situations including, among others, quality or performance issues on our projects, product safety issues, a poor health and safety record, failure to maintain ethically and socially responsible operations, or alleged or proven non-compliance with laws or regulations by our employees, representatives, agents, subcontractors, suppliers and/or partners. Any negative publicity about, or significant damage to our image and reputation could have an adverse impact on customer perception and confidence and may cause the cancellation of current projects and influence our ability to obtain future projects, which could materially adversely affect our business, results of operations and financial condition. Also, the pervasiveness and viral nature of social media could perpetuate or exacerbate any negative publicity with respect to our business practices and products.

Furthermore, any unethical conduct by a supplier or subcontractor or any allegations, whether or not founded, of unfair or illegal business practices by a supplier or subcontractor, including production methods, labour practices, health and safety and environmental protection, could also reflect negatively on us and materially adversely affect our image and reputation, which could in turn materially adversely affect our business and financial results. See also the subsection “*Supply chain risks*” herein above of this Operational Risks section for more information regarding the risks related to the conduct of our suppliers.

### ***Scrutiny and perception gaps regarding sustainability matters and climate change***

Evolving stakeholder expectations with respect to sustainability matters, including, without limitation, environmental, social and governance considerations, (collectively, “Sustainability”) as well as the impact of climate change may pose risks to our brand and reputation, ability to attract and retain talent, financial outlook, cost of capital, global supply chain and business continuity, which may impact our ability to achieve long-term business objectives. Increased public awareness and growing concerns about climate change and the global transition to a low carbon economy result in a broad range of impacts. We may fail to adequately monitor and mitigate emerging risks in a rapidly changing ecosystem and to sufficiently address evolving expectations related to corporate culture, business conduct and ethics, responsible management of our supply chain, transparency, respect for human rights, working and safety conditions, as well as diversity and inclusion, among other factors, which could affect corporate profitability and reputation.

Additional and rapidly evolving global Sustainability and climate-related regulations, such as new anti-“greenwashing” legislation, mandatory reporting on labour practices and modern slavery within production and supply chains, and other similar legislation, increases regulatory expectations, creates new and evolving compliance risks, and increases the potential for legal action by activist groups or unflattering media reports. Various jurisdictions where Bombardier operates have adopted regulations, or are planning to adopt regulations, regarding mandatory climate and/or Sustainability-related disclosure by businesses. While management is actively monitoring these regulatory developments, and is committed to comply with all applicable laws, we may not always be in a position to properly meet these continually changing obligations, which may vary significantly between different jurisdictions. This creates new and evolving regulatory compliance risks, including due to potential imbalances or conflicts among requirements, in addition to increasing the risk of lawsuits. The many regulatory standards and projects that have been issued, such as the standards of the International

Sustainability Standards Board (ISSBtm), the proposed standards of the Canadian Sustainability Standards Board (CSSB), the European Corporate Sustainability Reporting Directive (CSRD) designed to govern the disclosure of sustainability-related and climate-related financial information, and the CSA's proposed National Instrument 51-107 – *Disclosure of Climate-Related Matters*, are an illustration. Gaps in perception and acceptability of how Sustainability and climate factor into shareholder value also require increased vigilance and consideration when it comes to Sustainability and climate reporting and communication. As Sustainability performance is assessed by proxy advisory agencies, we could also face governance issues or investor criticism if we do not meet their expectations.

### ***Adequacy of insurance coverage for our business, products and properties***

We maintain insurance policies in accordance with the needs of our business. However, we cannot guarantee that our insurance policies will provide adequate coverage should we face extraordinary occurrences that result in losses. We may not obtain certain insurance coverage, may experience difficulties in obtaining or maintaining the insurance coverage we need at acceptable levels, costs or terms, and may elect not to purchase insurance coverage against some risks, which could materially and adversely affect our business, financial condition and results of operations.

Accidents or natural disasters may also result in significant property damage, disruption of our operations and personal injuries or fatalities, and our insurance coverage may be inadequate to cover such losses. In the event of an uninsured loss or a loss in excess of our insured limits, we could suffer damage to our reputation and/or lose all or a portion of our production capacity as well as future revenues expected to be generated by the relevant facilities. Any material loss not covered by our insurance could adversely affect our business, financial condition and results of operations. Moreover, any accident, failure of, or defect in our products or services, even if fully indemnified or insured, could significantly impact the cost and availability of adequate insurance in the future.

### ***Risk management policies, procedures and strategies***

We have devoted significant resources to develop our risk management policies, procedures and strategies and will continue to do so in the future. Nonetheless, our policies, procedures and strategies may not be sufficiently comprehensive. Many of our methods for identifying, analyzing and managing risk and exposures are based upon risk management processes that are embedded in governance and our business activities, focusing on all stages of the product development and manufacturing process. Risk management methods depend upon the evaluation and/or reporting of information regarding product development, manufacturing and management, industry outlooks, markets, customers, project execution, catastrophe occurrence or other matters publicly available or otherwise accessible to us. This information may not always be accurate, complete, up-to-date or properly evaluated or reported.

### ***Acquisitions***

We may acquire businesses for strategic or other purposes. Achieving anticipated benefits and synergies of an acquisition will depend in part on whether the operations, systems, management and cultures of our Corporation and the acquired business can be integrated in an efficient and effective manner and whether the presumed bases or sources of synergies produce the benefits anticipated. We may not be able to achieve anticipated synergies and benefits for an acquisition for many reasons, including contractual constraints, an inability to take advantage of expected synergistic savings and increased operating efficiencies, loss of key employees, or changes in tax laws and regulations. The process of integrating an acquired business may lead to greater than expected operating costs, significant one-time write-offs or restructuring charges, distraction for management and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, or suppliers). Failure to successfully integrate an acquired business could have a material adverse impact on our business activities, financial condition, profitability and outlook.

Additionally, acquisitions are subject to a range of inherent risks, including the assumption of incremental regulatory/compliance, pricing, supply chain, commodities, labour relations, litigation, environmental, pensions, IT, tax, or other risks. While due diligence on an acquisition target is intended to mitigate such risks, these efforts may not always prove to be sufficient in identifying all risks and liabilities related to the acquisition for various

reasons. Moreover, we may identify risks and liabilities that we are not able to sufficiently mitigate through appropriate contractual indemnities or other protections. The realization of any such risks could have a material adverse impact on our business activities, financial condition, profitability and outlook.

### ***Tax matters and changes in tax laws***

As a multinational company conducting operations through subsidiaries in multiple jurisdictions, we are subject to income and other taxes, tax laws and fiscal policies in numerous jurisdictions. Our effective income tax rate in the future could be adversely affected as a result of a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws, (including based on the Organization for Economic Cooperation and Development's Pillar Two Global Minimum Tax regime), treaties or regulations or their interpretation, and the outcome of income tax audits in various jurisdictions around the world.

We regularly assess all of these matters to determine the adequacy of our tax liabilities. In determining our provisions for income taxes and our accounting for tax-related matters in general, we are required to exercise judgment. We regularly make estimates where the ultimate tax determination is uncertain. There can be no assurance that the final determination of any tax audit, appeal of the decision of a taxing authority, tax litigation or similar proceedings will not be materially different from that reflected in our historical financial statements. The assessment of additional taxes, interest and penalties could be materially adverse to our current and future results of operations and financial condition.

Our Canadian and foreign entities undertake certain operations with other currently existing or new subsidiaries in different jurisdictions around the world. The tax laws of these jurisdictions, including Canada, have detailed transfer pricing rules that require that all transactions with non-resident related parties be priced using arm's length pricing principles. The taxation authorities in the jurisdictions where we carry on business could challenge our arm's length related party transfer pricing policies. International transfer pricing is a subjective area of taxation and generally involves a significant degree of judgment. If any of these taxation authorities were to successfully challenge our transfer pricing policies, our income tax expense may be adversely affected, and we could also be subjected to interest and penalties. Any such increase in our income tax expense and related interest and penalties could have a material adverse effect on our business, results of operations or financial condition.

## **Financing risk**

### ***Liquidity and access to capital markets***

Our business is cyclical and highly capital intensive. In the ordinary course of our business, we rely on cash and cash equivalents, cash flows generated by operations, capital market resources such as debt and equity and other financing arrangements, and certain working capital financing initiatives such as the sale of receivables, arrangements for advances from third parties and the negotiation of extended payment terms with certain suppliers to satisfy our financing needs. There can be no assurance that such working capital cash sources will be available to us in the future on acceptable terms or at all.

Our ability to achieve our business and cash generation plans is based on a number of assumptions which involve significant judgments and estimates of future performance, borrowing capacity and credit availability, which cannot at all times be assured.

The Corporation also routinely reviews its debt profile with a view to managing or extending maturities and/or negotiating more favorable terms and conditions with respect to its financing arrangements.

From time to time, we undertake various financing initiatives to solidify our liquidity position. There are no assurances that we will be able to implement these or any other strategic options on favorable terms and timing or at all, and, if implemented, that such actions would have the planned results.

There can be no assurance that our expected cash flows from operating activities, combined with available liquidity will be sufficient to enable the development of new products to enhance competitiveness and support growth and will enable us to meet all other expected financial requirements or plans in the foreseeable future.

If our cash flows and other capital resources are insufficient to fund the required work on our ongoing contracts, programs and projects, as well as our capital expenditures and debt service obligations, we could be forced to reduce or delay deliveries, investments and capital expenditures or to seek additional debt or equity capital. We may not be able to obtain alternative capital resources, if necessary, on favourable terms or at all.

A decline in credit ratings, a significant reduction in the surety or financing market global capacity, widening credit spreads, changes in our outlook or guidance, significant changes in market interest rates or general economic conditions or an adverse perception by banks and capital markets of our financial condition or prospects could all significantly increase our cost of financing or impede our ability to access financial markets. Our credit ratings may be impacted by many factors, including factors outside of our control relating to our industry or countries and regions in which we operate, and, accordingly, no assurance can be given that our credit ratings may not be downgraded in the future. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, may increase our cost of financing.

Our right to convert into cash certain deposits or investments, held in financing structures to guarantee our obligations, may be subject to restrictions. Our right to access and use cash or other deposits, held in trust or in escrow arrangements to guarantee certain obligations, may be challenged or subject to restrictions. Additionally, in some countries, cash generated by operations may be subject to restrictions on the right to convert and/or repatriate money and may thus not be available for immediate use.

### ***Substantial debt and significant interest payment requirements***

We currently have, and expect to continue to have, a substantial amount of debt, and significant interest payment requirements. Our level of indebtedness could have significant consequences, including the following:

- it may be more difficult to satisfy our obligations with respect to our indebtedness;
- our vulnerability to general adverse economic and industry conditions may be increased;
- we may be required to dedicate a substantial portion of our cash flows from operations to interest and principal repayments on our indebtedness, reducing the availability of cash flows to fund capital expenditures, working capital, acquisitions, new business initiatives and other general corporate purposes;
- our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate may be limited;
- we may be placed at a disadvantage compared to our competitors that have less debt or greater financial resources;
- it may limit, along with other covenants to which we are subject, among other things, our ability to borrow additional funds on commercially reasonable terms, or at all;
- we may be required to monetize assets on terms that are unfavourable to us; and
- we may be required to offer debt or equity securities on terms that are not favourable to us or our shareholders.

We have various debt maturities ranging between 2026 and 2034, and we cannot provide assurance that this indebtedness will be refinanced on favourable terms or at all.

For more information regarding our long-term debt, see Note 27 – Long-term debt, to our Consolidated financial statements.

### ***Restrictive and financial debt covenants***

Restrictive covenants in certain agreements and instruments governing our indebtedness, including our outstanding senior notes and certain credit facilities, may materially restrict our financial flexibility or may have other material adverse effects on our business, results of operations, financial condition, liquidity, and cash flows. We are, and may be increasingly in the future, party to certain credit facilities and other asset-based and asset-

backed financing arrangements which contain covenants that, among other things, restrict our and our subsidiaries' ability to: (i) dispose or acquire assets or enter into mergers; (ii) incur additional indebtedness; (iii) incur guarantee obligations; (iv) declare dividends and distributions, prepay indebtedness, or amend certain financing arrangements; (v) create liens; (vi) make certain investments, loans, advances or capital expenditures; (vii) make changes to our business; and (viii) engage in certain transactions with affiliates. In addition, certain of these agreements and instruments may from time to time also include financial covenants which may be required to be met at all times or under specified circumstances. The breach of any of these restrictive covenants or financial covenants could result in draw limitations or default under the relevant agreement, which could, in turn, cause cross-acceleration or cross-defaults under our other financing arrangements. In such event, we may be unable to borrow under our financing arrangements and may not be able to repay the amounts due under such arrangements, which could have a material adverse effect on our business, results of operations, financial condition, liquidity, and cash flows.

Our ability to comply with these covenants may also be affected by events beyond our control. A breach of any of these agreements or our inability to comply with these covenants could result in a default under these financing arrangements, which would permit our banks to request immediate defeasance or cash cover of all outstanding letters of credit, and our bondholders and other lenders to declare amounts owed to them to be immediately payable. If any of these financing arrangements is accelerated, or we are subject to significant cash cover obligations, we may not be able to refinance such facilities on terms acceptable to us or at all. There can be no assurance that we would be able to obtain waivers or amendments of any such breaches or defaults or be able to cash cover or refinance such arrangements, on terms acceptable to us or at all.

Although the terms of our credit facilities and certain of our other debt instruments contain or may from time-to-time contain restrictions on the incurrence of additional debt, including secured debt, or to enter into new senior secured facilities, these restrictions are subject to a number of exceptions provided certain conditions are met. If we incur additional debt in the future, we may be subject to additional or more restrictive covenants than those to which we are subject now.

### ***Retirement benefit plan risk***

We are required to make contributions to a number of pension plans, some of which are presently in a deficit position. Pension funding requirements are dependent on regulatory requirements and on the valuations of plan assets and liabilities, which are subject to a number of factors, including expected returns on plan assets, long-term interest rates, as well as applicable actuarial practices and various other assumptions. The potential requirement to make additional contributions as a result of changes to regulations, actuarial assumptions or other factors may reduce the amount of funds available for operating purposes, thus limiting our financial flexibility and weakening our financial condition.

There is no assurance that retirement benefit plan assets will earn the expected rates of return. The ability of our retirement benefit plan assets to earn these expected rates of return depends in large part on the performance of capital markets. Market conditions also affect the discount rates used to calculate our net retirement benefit liabilities and could also impact our retirement benefit costs, cash funding requirements and liquidity position.

The net retirement benefit liability is highly sensitive to variations to the underlying discount rate, which represents the market rate for high-quality corporate fixed-income investments at the end of each reporting period consistent with the currency and estimated term of the benefit obligations. As a result, the discount rates change is based on market conditions.

### ***Credit risk***

We are exposed to credit risk through our derivative financial instruments and other investing activities carried out as part of our normal treasury activities, as well as through our trade receivables arising from normal commercial activities.

We also have exposure to banks in the form of periodically placed deposits and credit commitments. In the event the banks with which we transact are unable to withstand regulatory or liquidity pressures, financing arrangements, including letter of credit facilities, may become unavailable or we may not be able to extend such arrangements upon their maturity.

### ***Government support***

From time to time, we have or may receive various types of government financial support. The level of government support reflects government policy and depends on fiscal spending levels and other political and economic factors. We cannot predict if future government-sponsored support will be available. The loss of or any substantial reduction in the availability of government support could negatively impact our assumptions related to the development of aircraft products and services. In addition, any future government support received by our competitors could have a negative impact on our competitiveness, sales and market share.

## **Regulatory and legal risk**

We are subject to numerous risks relating to current and future regulations, as well as legal proceedings, both present or that may arise in the future.

Given our size, and current and historical operations, including in respect of the Transportation business which was divested on January 29, 2021, we are, and may become, in the normal course of business, party to lawsuits, investigations and claims seeking damages and other relief, including those involving allegations of late deliveries of goods or services, product liability, product defects, quality problems, intellectual property infringement, claims arising from divestiture or acquisition transactions, claims arising due to supply chain challenges and pressure on supply costs, obligations under our financing arrangements, obligations to current or former employees, and general liability arising from applicable laws and regulations (see below for more details). In addition, while clients and subcontractors may agree under various contractual arrangements to indemnify us against certain liabilities, such third parties may refuse or be unable to pay. These matters may also divert financial and management resources that would otherwise be used to benefit our operations, and the cost to pursue or defend litigation or address investigations may be significant.

Due to the inherent uncertainties of litigation and investigations, it is not possible to (a) predict the final outcome of these and other related proceedings generally or (b) determine the amount of potential losses, if any, that may be incurred in connection with any final judgment or decision on these matters. In connection with the settlement of litigations and investigations, a number of conditions may be imposed on Bombardier, and we may be required to undergo certain changes to our business practices which could impose additional costs and adversely affect our ability to pursue business opportunities.

While we maintain insurance coverage for various aspects of our business and operations, our insurance programs have varying coverage limits and exceptions. Material losses may be incurred related to litigation beyond the limits or outside the coverage of current insurance and existing provisions for litigation-related losses may not be sufficient to cover the ultimate loss or expenditure. Moreover, legal proceedings resulting in judgments or findings against us may harm our reputation and place us at a disadvantage for future orders or contract awards. There may also be adverse publicity associated with investigations and litigation, including, without limitation, litigation related to product safety, which could negatively affect our clients and our ability to attract new clients, the public perception of our business or our reputation, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, these could materially adversely affect our business and financial results.

In addition, as part of the regulatory and legal environments in which we operate, we are subject to and we face risks relating to non-compliance with local and foreign laws, regulations, rules and other current, new or changing legal requirements enforced by governments or other authorities, including with respect to trade controls, tariffs, embargoes, international sanctions and other trade restrictions, lobbying or similar activities, securities, antitrust, data privacy, domestic and international taxes, environmental and labour relations, as well as laws related to corruption, anti-competitive acts, bribery, and ethics-related issues, which could have a significant adverse impact on our business. Notably, sales to customers are subject to such laws and regulations. Under some of these, a

company may be found liable for violations resulting not only from actions of certain of its employees, but also in certain circumstances from actions of its contractors and third-party representatives or agents.

Our Code of Ethics and other corporate policies mandate compliance with laws and regulations regarding anti-bribery and anti-corruption, insider trading and tipping, fraud, money-laundering, competition and anti-trust, sanctions and trade controls, lobbying and others, and we have implemented training programs, internal monitoring and controls, and reviews and audits to promote compliance with such laws. However, there can be no assurance that our internal control policies and procedures will allow us to timely detect and protect us from recklessness, fraudulent behaviour, dishonesty or other inappropriate behaviour on the part of our employees, contractors, suppliers, affiliates, consultants, representatives, agents, and/or partners. Misconduct or failure by our employees, contractors, suppliers, affiliates, consultants, representatives, agents, and/or partners to comply with applicable laws and regulations, and notably anti-bribery and anti-corruption laws, could impact Bombardier in various ways that include, but are not limited to, criminal, civil and administrative legal sanctions, debarment from bidding for or performing government contracts, and negative publicity, and could have a significant negative effect on our business, results of operations, profitability, share price, financial condition, the public perception of our business, reputation, expansion efforts, and ability to attract and retain employees and clients. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny of and punishment to companies convicted of violating anti-corruption and anti-bribery laws. See also the subsection “Operational Risks—Supply chain risks” hereinabove.

Also refer to our Risk Factor on “Financing Risks” and our Note 36 – Commitments and contingencies, to our consolidated financial statements.

## **General Economic Risk**

The markets in which we operate may from time to time be affected by a number of local, regional and global factors. Since our sales and operations are undertaken around the world, we may be directly or indirectly affected by unfavorable political conditions or economic slowdowns occurring within these geographic zones and our business may be exposed to a number of related risks.

Should uncertain global economic situations persist over time or deteriorate, should economic headwinds in certain countries, regions or key markets intensify or spread to other countries, or should the global economic environment deteriorate or fall into recession, this could, in particular, result in potential buyers postponing the purchase of our products or services, lower order intake, order cancellations or deferral of deliveries, lower availability of customer financing, an increase in our involvement in customer financing, downward pressure on selling prices, increased inventory levels, decreased level of customer advances, slower collection of receivables, reduction in production activities, paused or discontinued production of certain products, termination of employees or adverse impacts on suppliers.

### ***Epidemics, Pandemics, and Other Global Health Crises***

Effects and changes to the economy and markets since the COVID-19 pandemic continue to negatively impact the global economy, disrupt global supply chains, significantly increase inflation, impact workforce availability and demands, and create economic uncertainty and disruption of financial markets. While emergency measures that were enacted by governments worldwide to contain the spread of the virus during earlier periods of the COVID-19 pandemic, including the implementation of travel bans, self-imposed quarantine periods, self-isolation, physical and social distancing and the closure of non-essential businesses, have largely been lifted, an increase in new infections or the spread of new variants of COVID-19, or the rise and spread of other communicable infections, could cause some governments to reinstate such measures. Any other significant outbreak, epidemic or pandemic of contagious diseases in any geographic area in which we operate could result in a similar, or worse, public health and safety crisis that could significantly disrupt global health, economic, market and labour conditions, and create varying degrees of slowdowns in the global economy and recessions.

Any of the foregoing could bring about new or exacerbate existing disruptions to businesses in Canada and globally, resulting in uncertainty and a challenging economic environment, which could in turn have a material

negative impact on the Corporation's business activities, financial condition, cash flows, profitability, prospects and results of operations in future periods. A global health crisis of a similar scale or scope as the COVID-19 pandemic may also have the effect of heightening other risks and uncertainties disclosed and described below in this MD&A.

### ***Counterparty risks***

Uncertainties in the global economy have an adverse affect on the economies and financial markets of many countries, which increases the risk of defaults from our suppliers, customers and other counterparties, delays in deliveries of goods or services or payments by such counterparties, and difficulties in enforcing our agreements and collecting receivables. In such an economic environment, our suppliers, customers and other counterparties may seek to terminate or to amend their agreements for the supply or purchase of products or services as a result of distress on their operational or financial situation (including bankruptcy, operational shutdowns or failures, lack of liquidity or funding, or other reasons).

If we or any of the third parties with whom we engage, including suppliers, service providers, customers and other third parties with whom we conduct business, were to experience long-term effects such as prolonged or permanent shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and negatively impacted, including the impairment of our product development activities for a period of time, which could also lead to loss of customers, as well as reputational, competitive, or business harm.

### ***Heightened impact of other risks***

Several of the other risks and uncertainties disclosed in this Financial Report for the fiscal year ended December 31, 2024 could be particularly exacerbated by extraordinary externalities, including, but not limited to, risks described under "Our order backlog may not be indicative of future revenues", "Cash flows and capital expenditures", "Seasonality and cyclicity of financial results", "Environmental, health and safety risks", "Dependence on limited number of contracts and customers", "Supply chain risks", "Liquidity and access to capital markets", "Credit risk", "Substantial debt and significant interest payment requirements", "General economic risk", "Business environment risk", and "Market Risk".

### ***Mitigation measures***

While we make efforts to manage and mitigate existing or reasonably foreseeable risks to the markets in which we operate, the effectiveness of these efforts and the extent to which economic slowdowns, global health or geopolitical or military events in various parts of the world affects the Corporation's business will depend on factors beyond our control. The Corporation may experience material adverse effects to its business, operations, financial condition, cash flows, margins, prospects and results of operations as a result of prolonged or new disruptions in the global economy and any resulting recession.

## **Business environment risk**

### ***Financial condition of business aircraft customers***

The purchase of aviation products and services may represent a significant investment for a corporation, an individual or a government. When economic or business conditions are unfavourable, potential buyers may delay the purchase of our aviation products and services. The availability of financing is also an important factor and credit scarcity can cause customers to either defer deliveries or cancel orders.

An increased supply of used aircraft as companies restructure, downsize or discontinue operations could also add downward pressure on the selling price of new and used business and commercial aircraft. We could then be faced with the challenge of finding ways to further reduce costs and improve productivity to sustain a favourable market position at acceptable profit margins. The loss of any major fractional ownership or charter operator as a customer or the termination of a contract could significantly impact our financial results.

## ***Trade policy***

As a globally operating organization, our business is subject to government policies related to import and trade restrictions and business acquisitions, support for export sales, and world trade policies including specific regional trade practices. As a result, we are exposed to risks associated with changing priorities by government and supranational agencies.

In addition, protectionist trade policies and changes in the political and regulatory environment in the markets in which we operate, such as foreign exchange import and trade controls, tariffs and other trade barriers, “buy local” government initiatives, price or exchange controls, retaliations to any such trade protection policies or measures, as well as potential changes to free trade arrangements (including the scheduled 2026 joint review of the United States-Mexico-Canada Agreement (USMCA)) could affect our business in several national markets, disrupt our supply chain, impact our sales and profitability and make the repatriation of profits difficult, and may expose us to penalties, sanctions and reputational damage.

In particular, the executive orders signed by President of the United States on February 1, 2025 directing the United States to impose new tariffs on imports originating from Canada, Mexico and China (and any new tariffs, retaliatory tariffs or other trade protectionist measures implemented in connection therewith), as well as the threatened early termination or significant amendments to the USMCA, could have material negative impacts on sales of our aircraft to customers in the United States, and could be highly disruptive and costly to our production and supply chain which is integrated across Canada, the United States and Mexico for many key components, parts and systems in our aircraft (see also “*Supply chain risks*” under the Operation Risks section of these Risks and Uncertainties). We are closely following developments and are working collaboratively with key government and trade representatives in Canada, the United States and Mexico to find acceptable and workable solutions that will avoid or mitigate such tariffs or major disruptions to existing trade arrangements under the USMCA that could impact our sales and operations. However, there can be no guarantee that: (i) existing tariffs will be lifted; (ii) new tariffs or changes to existing trade agreements would not be implemented; and (iii) we will be able to avoid or mitigate the impact of such tariffs or changes to trade agreements. Such changes, even if temporary, could result in delays or the cancellations of existing aircraft orders and the return of pre-delivery payments less liquidated damages, reduced new orders for our aircraft impacting our backlog and cash flows, and potentially lower profitability from reduced sales and/or increased costs. The materialization of any of the foregoing could have a material adverse effect on our business, financial condition, cash flows and results of operations.

## ***Increased competition from other businesses***

We face intense competition in the markets and geographies in which we operate. We face competition from strong competitors, some of which are larger and may have greater resources in a given business or region, as well as competitors from emerging markets and new entrants, which may have a better cost structure. In the markets and geographies in which we compete, competitors are developing numerous aircraft programs, with entries-into-service expected throughout the next decade. We face the risk that market share may be eroded if potential customers opt for competitors’ products. We may also be negatively impacted if we are not able to meet product support expectations or provide an adequate international presence for our diverse customer base.

## ***Political instability and geopolitical tension***

Political instability, which may result from various factors, including social or economic factors, in certain regions of the world may be prolonged and unpredictable. Geopolitical tensions, including between nations in which we operate, do business or seek to do business, or where our clients or potential clients reside, have been rising globally and can arise suddenly and with limited foreseeability. In some parts of the world, political instability has become more pronounced, protracted and unpredictable. Any new or increased geopolitical tensions, or prolonged political instability, in regions or markets in which we participate could lead to delays or cancellation of orders for our products or services, or prohibit or impede our ability to expand our business in such regions. It is possible that in the markets we serve, unanticipated political instability could impact our operating results and financial position.

Geopolitical and economic risks, including from existing or threatened military conflicts and volatility in the energy markets, have raised concerns in international economies. Beyond any immediate impact, these developments may also negatively affect the evolution of the global economy.

We continue to monitor all relevant developments, analyze any new risks that arise, and assess the impacts that they may have on our organization.

### ***The Ukraine-Russia military conflict and financial and economic sanctions and trade control limitations***

Following Russia's February 2022 full scale military invasion of Ukraine, Canada, the U.S., the United Kingdom, the European Union and various other countries around the world imposed broad financial and economic sanctions and trade control limitations against Russia and against certain persons and entities (collectively, Sanctions and Trade Control Limitations). As a result of the foregoing, Bombardier is abiding by all Sanctions and Trade Control Limitations. When such Sanctions and Trade Control Limitations may be eased or lifted is not known at this time. As of December 31, 2024, we have not been materially adversely impacted by the Ukraine-Russia military conflict and the Sanctions and Trade Control Limitations; however, we are continuously monitoring developments to assess any potential future impact that may arise. If there is an escalation of the conflict, or if the sanctions and other retaliatory measures imposed by the global community are expanded, we cannot provide assurance that this may not adversely impact the Corporation's overall business activities, financial condition, cash flows, profitability, prospects and results of operations in future periods.

### ***Global climate change***

Global climate change and the transition to a lower carbon economy could exacerbate certain of the threats facing our business which can be categorized as physical risks or transition risks.

- **Physical risks:**  
Physical risks include the increase in frequency and severity of weather-related events, which can disrupt our operations, damage our infrastructure or properties, create financial risk to our business or otherwise have a material adverse effect on our results of operations, financial position or liquidity. These may result in substantial costs to respond during and after the event, to recover from the event and possibly to modify existing or future infrastructure requirements to prevent recurrence. Climate changes could also disrupt our operations by impacting the availability and cost of materials needed for manufacturing and could increase insurance and other operating costs.

The potential physical impacts of climate change on our operations are highly uncertain, could be more frequent and could be particular to the geographic circumstances in areas in which we operate. It may include changes in rainfall and storm patterns and intensities, water shortages, rising water levels and changing temperatures. These factors may impact our decisions to construct new facilities or maintain existing facilities in areas most prone to physical climate risks. We could also face indirect financial risks passed through the supply chain and process disruptions due to physical climate changes, which could result in price modifications for our products and the resources needed to produce them. These impacts may adversely impact the cost, production, and financial performance of our operations.

- **Transition risks:**  
In addition, concerns about the environmental and climate impacts of air travel and tendencies towards "greener" travel options, and in particular social media movements drawing negative attention to business jet travel by activist groups, have contributed to higher levels of scrutiny with respect to business jet emissions which could have the effect of reducing demand for air travel and could materially adversely impact our business and reputation.
- Global climate change also results in regulatory risks which vary according to the national and local requirements implemented by each jurisdiction where we are present. Our products as well as our manufacturing and services activities are subject to environmental regulations by federal, provincial and local authorities in Canada as well as local regulatory authorities with jurisdiction over our operations

outside of Canada. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Most countries where we carry out manufacturing or services activities are at various stages of developing emission allocations and trading schemes or implementing a carbon tax. In 2024, our regulatory risks associated with climate change mainly fell under our obligations to the European Union Emission Trading Scheme, the United Kingdom Climate Change Agreement, the United Kingdom's Carbon Reduction Commitment energy efficiency scheme (launched in April 2010), the Energy Savings Opportunity Scheme and the Québec-California trading scheme as part of the Western Climate Initiative. Increased public awareness and concern regarding global climate change may result in more legislative and/or regulatory requirements to reduce or mitigate the effects of greenhouse gas emissions. Moreover, the business aviation industry, including Bombardier, relies heavily on the use of Sustainable Aviation Fuel (SAF) to meet the industry net-zero emission target by 2050, therefore the lack of ramp-up or a slower ramp-up of SAF could translate in an increased industry exposure. The impact to us and our industry from legislation and increased regulation regarding climate change is likely to be adverse and could be significant. We may be directly exposed to such measures, which could result in significant costs on us, on our customers and on our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs necessary to comply with such regulations that could adversely affect our business, financial condition, operating performance, and ability to compete. In addition, such regulatory changes could necessitate us to develop new technologies, requiring significant investments of capital and resources.

### ***Force majeure***

Force majeure events are unpredictable and may have significant adverse results such as: personal injury or fatality; damage to or destruction of ongoing projects, facilities or equipment; environmental damage; delays or cancellations of orders and deliveries; delays in the receipt of materials from our suppliers; delays in projects; or legal liability.

## **Market risk**

### ***Foreign exchange risk***

Our financial results are reported in U.S. dollars and a significant portion of our sales and operating costs are transacted in currencies other than U.S. dollars, most often Canadian dollars, Mexican pesos and euros. We have adopted a progressive hedging strategy to limit the effect of currency movements on our results. Such contracts hedge foreign-currency denominated transactions and any change in the fair value of the contracts could be offset by changes in the underlying value of the transactions being hedged. The use of forward foreign exchange contracts also contains an inherent credit risk related to default on obligations by the counterparties to such contracts. Although we aim to have foreign-exchange hedging contracts with respect to all currencies in which we do business, there may be situations where we do not have hedging contracts or are not fully hedged for various reasons including regulation and market availability and accessibility. As a result, there can be no assurance that our approach to managing our exposure to foreign-exchange rate fluctuations will be effective in the future or that we will be able to enter into foreign-exchange hedging contracts as deemed necessary on satisfactory terms. In situations where we are not fully hedged, our results of operations are affected by movements in these currencies against the U.S. dollar. Significant fluctuations in relative currency values against the U.S. dollar could thus have a significant impact on our future profitability. Additionally, the settlement timing of foreign currency derivatives could significantly impact our liquidity. Fluctuations in foreign currency exchange rates could also have a material adverse effect on the relative competitive position of our products in markets where they face competition from competitors who are less affected by such fluctuations in exchange rates.

### ***Interest rate risk***

We are exposed to gains and losses arising from changes in interest rates, which includes marketability risks, through our financial instruments carried at fair value. These financial instruments include certain derivative financial instruments.

## **Commodity price risk**

We are exposed to commodity price risk relating principally to fluctuations in the cost of materials used in our supply chain, such as aluminum, advanced aluminum alloy, titanium, steel and other materials that we use to manufacture our products, and which represent a significant portion of our cost of sales. We do not maintain significant inventories of raw materials and components and parts. The prices and availabilities of raw materials and components and parts may vary significantly from period to period due to factors such as, without limitation, consumer demand, supply, market conditions, geopolitical factors, climate change and costs of raw materials. In particular, raw materials required for our operations, may be subject to pricing cyclicality and periodic shortages from time to time. We cannot guarantee that corresponding variations in cost will be fully reflected in contract prices, and we may be unable to recoup these raw material price increases, which could affect the profitability of such contracts. See also “*Supply chain risks*” under the Operation Risks section and “*Trade Policy*” under Business environment risk of these Risks and Uncertainties.

## **Inflation risk**

Global economies in which we and our suppliers operate, and in which our customers reside, have experienced broad significant inflationary pressures over the past two years, and future inflationary pressures remains fluid and uncertain. Our business is exposed to inflation risk relating to fluctuations in costs and revenue for aircraft orders received but for which the delivery of the aircraft will take place several years in the future. Revenues for these orders are adjusted for price escalation clauses linked to inflation. Fluctuations in inflation rates could nevertheless have a significant impact on our future profitability if the inflation rate assumption used varies from the actual inflation rate, and this is a particularly acute risk in respect of large long-term contracts which may have an impact on our results for several years. Our inability to recover, in whole or in part, the increase in costs from inflationary pressures may have a material adverse impact on our business, financial condition and results of operations.

# **FINANCIAL INSTRUMENTS**

An important portion of the consolidated balance sheets is composed of financial instruments. Financial assets of the Corporation include cash and cash equivalents, trade and other receivables, investments in securities, receivable from ACLP, restricted cash and derivative financial instruments with a positive fair value. Financial liabilities of the Corporation include trade and other payables, long-term debt, lease liabilities, government refundable advances, credit and residual value guarantees payable, vendor non-recurring costs and derivative financial instruments with a negative fair value. Derivative financial instruments are mainly used to manage the Corporation’s exposure to foreign exchange market risks, generally through forward foreign exchange contracts. Derivative financial instruments include derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contracts.

The use of financial instruments exposes us primarily to credit, liquidity and market risks, including foreign exchange and interest rate risks. A description on how we manage these risks is included in the Risk management section of Overview and in Note 33 – Financial risk management, to the consolidated financial statements.

## **Fair value of financial instruments**

Financial instruments are recognized in the consolidated statement of financial position when the Corporation becomes a party to the contractual obligations of the instrument. On initial recognition, financial instruments are recognized at their fair value plus, in the case of financial instruments not at FVTP&L, transaction costs that are directly attributable to the acquisition or issuance of financial instruments. Subsequent to initial recognition, financial instruments are measured according to the category to which they are classified, which are: a) financial instruments classified as FVTP&L, b) financial instruments designated as FVTP&L, c) FVOCI financial assets, or d) amortized cost. Financial instruments are subsequently measured at amortized cost, unless they are classified as FVOCI or FVTP&L or designated as FVTP&L, in which case they are subsequently measured at fair value.

The classification of financial instruments as well as the revenues, expenses, gains and losses associated with these instruments are provided in Note 2 – Summary of material accounting policies and in Note 12 – Financial instruments, to the consolidated financial statements.

Note 34 – Fair value of financial instruments, to the consolidated financial statements, provides a detailed description of the methods and assumptions used to determine the fair values of financial instruments. These values are point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Fair value is determined by reference to quoted prices in the principal market for that instrument to which we have immediate access. However, there is no active market for most of our financial instruments. In the absence of an active market, we determine fair value based on internal or external valuation models, such as discounted cash flow models. Fair value determined using valuation models requires the use of assumptions concerning the amount and timing of estimated future cash flows, discount rates, the creditworthiness of the borrower, default probability, generic industrial bond spreads and marketability risk. In determining these assumptions, we use primarily external, readily observable market inputs, including factors such as interest rates, credit ratings, credit spreads, default probabilities, currency rates, and price and rate volatilities, as applicable. Assumptions or inputs that are not based on observable market data are used when external data are unavailable. These calculations represent management's best estimates. Since they are based on estimates, the fair values may not be realized in an actual sale or immediate settlement of the instruments.

Note 34 – Fair value of financial instruments, to the consolidated financial statements, also provides a three-level fair value hierarchy, categorizing financial instruments by the inputs used to measure their fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). In cases where the inputs used to measure fair value are categorized within different levels of hierarchy, the fair value measurement is reported at the lowest level of the input that is significant to the entire measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, taking into account factors specific to the asset or liability. The fair value hierarchy is not meant to provide insight on the liquidity characteristics of a particular asset or on the degree of sensitivity of an asset or liability to other market inputs or factors.

We consider gains and losses arising from certain changes in fair value of financial instruments incidental to our core performance, such as those arising from changes in market yields, as our intention is to continue to hold these instruments for the foreseeable future. These gains and losses are excluded from adjusted net income (loss) and adjusted EPS to provide users of the financial statements a better understanding of the core results of our business and enable better comparability of results from one period to another and with peers.

In connection with the sale of commercial aircraft, we hold financial assets and have incurred financial liabilities, measured at fair value, some of which are reported as Level 3 financial instruments, including receivable from ACLP and government refundable advance. The fair values of these financial instruments are determined using various assumptions, with the assumption on marketability risk being the most likely to change the fair value significantly from period to period. These assumptions, not derived from an observable market, are established by management using estimates and judgments that can have a significant effect on revenues, expenses, assets and liabilities.

#### *Sensitivity analysis*

Our main exposures to changes in fair value of financial instruments are related to changes in foreign exchange, and interest rates. Note 33 – Financial risk management, to the consolidated financial statements, presents sensitivity analyses assuming variations in foreign exchange and interest rates.

## **RELATED PARTY TRANSACTIONS**

Related parties, as defined by IFRS, are our joint ventures, associates and key management personnel. A description of our transactions with these related parties is included in Note 35 – Transactions with related parties, to the consolidated financial statements.

# CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

Our material accounting policies and use of estimates and judgment are described in Note 2 – Summary of material accounting policies and Note 4 – Use of estimates and judgment, to our Consolidated financial statements. The preparation of financial statements in conformity with IFRS requires the use of estimates and judgment. Critical accounting estimates, which are evaluated on a regular ongoing basis and can change from period to period, are described in this section. An accounting estimate and judgment is considered critical if:

- the estimate requires us to make assumptions about matters that are highly uncertain at the time the estimate is made; and
- we could have reasonably used different estimates in the current period, or changes in the estimate are reasonably likely to occur from period to period that would have a material impact on our financial condition, our changes in financial condition or our results of operations.

Management's best estimates regarding the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and trends, as well as assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results could differ from the estimates used, and such differences could be material.

Management's budget and strategic plan cover a five-year period and are fundamental information used as a basis for many estimates necessary to prepare financial information. Management prepares a budget and a strategic plan covering a five-year period, on an annual basis, using a process whereby a detailed one-year budget and four-year strategic plan are prepared and then consolidated. Cash flows and profitability included in the budget and strategic plan are based on existing and future contracts and orders, general market conditions, current cost structures, anticipated cost variations and in-force collective agreements. The budget and strategic plan are subject to approval at various levels, including senior management and the Board of Directors. Management uses the budget and strategic plan, as well as additional projections or assumptions, to derive the expected results for periods thereafter. Management then tracks performance as compared to the budget and strategic plan at various levels within the Corporation. Significant variances in actual performance are a key trigger to assess whether certain estimates used in the preparation of financial information must be revised.

The following areas require management's most critical estimates and judgments. The sensitivity analyses below should be used with caution as the changes are hypothetical and the impact of changes in each key assumption may not be linear.

## ***Aerospace program tooling***

The Corporation assesses at each reporting date whether there are any indicators that Aerospace program tooling may be impaired. If any indicators of impairment exist, the Corporation estimates the recoverable amount of the relevant CGU. The assessment of indicators of impairment, and the calculation of recoverable amounts, when indicators exist, requires judgements, which are reviewed in detail as part of the budget and strategic plan process during the fourth quarter of 2024. For purposes of impairment testing, management also exercises judgment to identify independent cash inflows to identify CGUs by family of aircraft. In addition, estimation is required in the determination of the amortization of the Aerospace program tooling.

Internal and external factors are considered in assessing whether indicators of impairment exist. If indicators of impairment exist, the recoverable amounts of the relevant CGUs are determined on fair value less costs of disposal, which are determined using forecasted future cash flows. The fair value measurements are categorized within Level 3 of the fair value hierarchy since the inputs used in the discounted cash flow model are Level 3 inputs (inputs that are not based on observable market data). The estimated future cash flows for the first five years are based on the budget and strategic plan. After the initial five years, long-range forecasts prepared by management are used.

Internal and external factors are considered by management in exercising judgment in assessing whether indicators of impairment are present that would necessitate a quantitative impairment test. Factors include management's best estimate of future sales under existing firm orders, expected future orders, timing of payments

based on expected delivery schedules, revenues from related aftermarket activities, procurement costs based on existing contracts with suppliers, future labor costs, general market conditions, foreign exchange rates, costs to complete the development activities, if any, potential upgrades and derivatives expected over the life of the program based on past experience with previous programs, and applicable long-range forecast income tax rates and a post-tax discount rate based on a weighted average cost of capital calculated using market-based inputs, available directly from financial markets or based on a benchmark sampling of representative publicly-traded companies in the aerospace sector. The same factors are used to determine the recoverable amount, when there are indicators of impairment.

The Corporation assessed whether there were any indicators of impairment for the *Global 7500* in the fourth quarter of 2024. Following this assessment, the Corporation concluded there were no indicators of impairment as at December 31, 2024.

### ***Valuation of deferred income tax assets***

To determine the extent to which deferred income tax assets can be recognized, management estimates the amount of probable future taxable profits that will be available against which deductible temporary differences and unused tax losses can be utilized. Such estimates are made as part of the budget and strategic plan by tax jurisdiction on an undiscounted basis and are reviewed on a quarterly basis. Management exercises judgment to determine the extent to which realization of future taxable benefits is probable, considering factors such as the number of years to include in the forecast period, the history of profits and availability of prudent tax planning strategies. See Note 10 – Income taxes, to our Consolidated financial statements, for more details.

### ***Tax contingencies***

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense or recovery already recorded. The Corporation establishes tax provisions for possible consequences of audits by the tax authorities of each country in which it operates. The amount of such provisions is based on various factors, such as experience from previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the domicile of each legal entity.

### ***Retirement and other long-term employee benefits***

The actuarial valuation process used to measure pension and other post-employment benefit costs, assets and obligations is dependent on assumptions such as discount rates, compensation and pre-retirement benefit increases, inflation rates, health-care cost trends, as well as demographic factors such as employee turnover, retirement and mortality rates. The impacts from changes in discount rates and, when significant, from key events and other circumstances, are recorded quarterly.

Discount rates are used to determine the present value of the expected future benefit payments and represent the market rates for high-quality corporate fixed-income investments consistent with the currency and the estimated term of the retirement benefit liabilities.

As the Canadian high-quality corporate bond market, as defined under IFRS, includes relatively few medium-term and long-term maturity bonds, the discount rate for the Corporation's Canadian pension and other post-employment plans is established by constructing a yield curve using three maturity ranges. The first maturity range of the curve is based on observed market rates for AA-rated corporate bonds with maturities of less than five years. In the longer maturity ranges, due to the smaller number of high-quality bonds available, the curve is derived using market observations and extrapolated data. The extrapolated data points were created by adding a term-based yield spread over long-term provincial bond yields. This term-based spread is extrapolated between a base spread and a long spread. The base spread is based on the observed spreads between AA-rated corporate bonds and AA-rated provincial bonds for the 4 to 10 years to maturity range. The long spread is determined as the

spread required at the point of average maturity of AA-rated provincial bonds in the 11 to 30 years to maturity range such that the average AA-rated corporate bond spread above AA-rated provincial bonds is equal to the extrapolated spread derived by applying the ratio of the observed spreads between A-rated corporate bonds and AA-rated provincial bonds for the 11 to 30 years to maturity range over the 4 to 10 years to maturity range, to the base spread. For maturities longer than the average maturity of AA-rated provincial bonds in the 11 to 30 years to maturity range, the spread is assumed to remain constant at the level of the long spread.

Expected rates of compensation increases are determined considering the current salary structure, as well as historical and anticipated wage increases, in the context of current economic conditions.

See Note 22 – Retirement benefits, to the consolidated financial statements, for further details regarding assumptions used and sensitivity analysis to changes in critical actuarial assumptions.

## CONTROLS AND PROCEDURES

In compliance with the Canadian Securities Administrators' Regulation 52-109, we have filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

### ***Disclosure controls and procedures***

The CEO and the CFO have designed disclosure controls and procedures, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Corporation has been made known to them; and
- information required to be disclosed in the Corporation's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation.

An evaluation was carried out, under the supervision of the CEO and the CFO, of the design and effectiveness of our disclosure controls and procedures. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures are effective.

### ***Internal controls over financial reporting***

The CEO and the CFO have also designed internal controls over financial reporting, or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

An evaluation was carried out, under the supervision of the CEO and the CFO, of the design and effectiveness of our internal controls over financial reporting. Based on this evaluation, the CEO and the CFO concluded that the internal controls over financial reporting are effective, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 Framework).

### ***Changes in internal controls over financial reporting***

No changes were made to our internal controls over financial reporting that occurred during the quarter and fiscal year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## OTHER

On April 1, 2024 the Corporation confirmed that it had received approval from the Toronto Stock Exchange for its new normal course issuer bid (NCIB) to purchase, from April 3, 2024 to April 2, 2025, up to 1,750,000 Class B shares (subordinate voting). Class B shares (subordinate voting) purchased under the NCIB will either be (a) cancelled to mitigate the dilutive effect of granting stock options under the Corporation's stock option plan, (b) made for the account, and on behalf, of Computershare Trust Company of Canada, as trustee for an employee benefit plans trust account, and eventually be used to settle the Corporation's obligations under certain of its employee share-based incentive plans, including its PSU and RSU plans, or (c) cancelled in order to manage the Corporation's capital position while generating value for its shareholders.

For more details, refer to Consolidated statements of changes in equity and Note 28 – Share Capital, to our Consolidated financial statements.

## FOREIGN EXCHANGE RATES

We are subject to currency fluctuations from the translation of revenues, expenses, assets and liabilities of foreign operations with non-U.S. dollar functional currencies, mainly the Euro, and from transactions denominated in foreign currencies, mainly the Canadian dollar.

The foreign exchange rates used to translate assets and liabilities into U.S. dollars were as follows, as at:

	December 31, 2024	December 31, 2023	Decrease
Euro	<b>1.0354</b>	1.1062	(6%)
Canadian dollar	<b>0.6952</b>	0.7559	(8%)

The average foreign exchange rates used to translate revenues and expenses into U.S. dollars were as follows, for the fourth quarters ended:

	December 31, 2024	December 31, 2023	Decrease
Euro	<b>1.0671</b>	1.0759	(1%)
Canadian dollar	<b>0.7149</b>	0.7346	(3%)

The average foreign exchange rates used to translate revenues and expenses into U.S. dollars were as follows, for the fiscal years ended:

	December 31, 2024	December 31, 2023	Increase (Decrease)
Euro	<b>1.0821</b>	1.0813	—%
Canadian dollar	<b>0.7302</b>	0.7411	(1%)

# SHAREHOLDER INFORMATION

## Authorized, issued and outstanding share data as at February 4, 2025

	Authorized	Issued and outstanding
Class A Shares (multiple voting) <sup>(1)</sup>	143,680,000	12,349,278
Class B Shares (subordinate voting) <sup>(2)</sup>	143,680,000	86,072,687 <sup>(3)</sup>
Series 2 Cumulative Redeemable Preferred Shares	12,000,000	2,684,527
Series 3 Cumulative Redeemable Preferred Shares	12,000,000	9,315,473
Series 4 Cumulative Redeemable Preferred Shares	9,400,000	9,400,000

<sup>(1)</sup> Ten votes each, convertible at the option of the holder into one Class B Subordinate Voting Share.

<sup>(2)</sup> Convertible at the option of the holder into one Class A Share under certain conditions.

<sup>(3)</sup> Net of 1,596,014 Class B Subordinate Voting Shares purchased and held in trust in connection with the PSU and RSU plans.

## Share option, PSU, DSU, RSU, data as at December 31, 2024

Options issued and outstanding under the share option plans	515,487
PSUs, DSUs and RSUs issued and outstanding under the PSU, DSU and RSU plans	1,583,567
Class B Subordinate Voting Shares held in trust to satisfy PSU and RSU obligations	1,371,106

## Information

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The *Global 8000* aircraft is currently under development and remains to be finalized and certified. All specifications and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. It is expected to enter service in 2025<sup>(1)</sup>.

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Un exemplaire en français est disponible sur demande adressée auprès du service des Relations avec les investisseurs ou sur le site Internet de la Société dédié aux relations avec les investisseurs, à l'adresse [ri.bombardier.com](http://ri.bombardier.com).

<sup>(1)</sup> See the forward-looking statements disclaimer in the Overview section of this MD&A.

## SELECTED FINANCIAL INFORMATION

The following selected financial information has been derived from, and should be read in conjunction with, the consolidated financial statements for fiscal years ended December 31, 2024, 2023 and 2022.

The following table provides selected financial information for the last three fiscal years.

Fiscal years ended December 31	2024	2023	2022
Revenues	\$ 8,665	\$ 8,046	\$ 6,913
Net income (loss) attributable to equity holders of Bombardier Inc.			
Continuing operations	\$ 370	\$ 490	\$ (128)
Discontinued operations <sup>(1)</sup>	—	(45)	(20)
<b>Total</b>	<b>\$ 370</b>	<b>\$ 445</b>	<b>\$ (148)</b>
EPS (in dollars)			
Continuing operations - basic	\$ 3.45	\$ 4.81	\$ (1.67)
Continuing operations - diluted	\$ 3.40	\$ 4.70	\$ (1.67)
Discontinued operations - basic <sup>(1)</sup>	\$ 0.00	\$ (0.47)	\$ (0.21)
Discontinued operations - diluted <sup>(1)</sup>	\$ 0.00	\$ (0.46)	\$ (0.21)
<b>Total basic</b>	<b>\$ 3.45</b>	<b>\$ 4.34</b>	<b>\$ (1.88)</b>
<b>Total diluted</b>	<b>\$ 3.40</b>	<b>\$ 4.24</b>	<b>\$ (1.88)</b>
Cash dividends declared per share (in Canadian dollars)			
Class A Shares (multiple voting)	\$ 0.00	\$ 0.00	\$ 0.00
Class B Shares (subordinate voting)	\$ 0.00	\$ 0.00	\$ 0.00
Series 2 Preferred Shares	\$ 1.69	\$ 1.74	\$ 1.03
Series 3 Preferred Shares	\$ 1.15	\$ 1.15	\$ 1.07
Series 4 Preferred Shares	\$ 1.56	\$ 1.56	\$ 1.56
<b>As at December 31</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Total assets	\$ 12,668	\$ 12,458	\$ 12,324
Non-current financial liabilities	\$ 6,127	\$ 6,579	\$ 7,187

<sup>(1)</sup> Discontinued operations are related to the sale of the Transportation business. The expenses recorded in discontinued operations for fiscal years 2023 and 2022 principally relate to change in estimates of a provision for professional fees.

The quarterly data table is shown hereafter.

**This MD&A for the three- and twelve-month periods ended December 31, 2024 was authorized for issuance by the Board of Directors on February 5, 2025.**

**BOMBARDIER INC.**
**QUARTERLY DATA (UNAUDITED)**

(the quarterly data has been prepared in accordance with IAS 34, Interim financial reporting, except market price ranges)

(in millions of U.S. dollars, except per share amounts)

Fiscal years	2024					2023				
	Total	Fourth quarter	Third quarter	Second quarter	First quarter	Total	Fourth quarter	Third quarter	Second quarter	First quarter
<b>Revenues</b>	\$ 8,665	\$ 3,108	\$ 2,073	\$ 2,203	\$ 1,281	\$ 8,046	\$ 3,062	\$ 1,856	\$ 1,675	\$ 1,453
<b>EBIT</b>	\$ 878	\$ 342	\$ 201	\$ 191	\$ 144	\$ 793	\$ 211	\$ 197	\$ 245	\$ 140
Financing expense <sup>(1)</sup>	677	297	138	271	136	594	159	240	253	176
Financing income <sup>(1)</sup>	(55)	(6)	(51)	(77)	(86)	(202)	(170)	(4)	(9)	(253)
<b>EBT</b>	256	51	114	(3)	94	401	222	(39)	1	217
Income taxes (recovery)	(114)	(73)	(3)	(22)	(16)	(89)	7	(2)	(9)	(85)
<b>Net income (loss)</b>										
Continuing operations	370	124	117	19	110	490	215	(37)	10	302
Discontinued operations <sup>(2)</sup>	—	—	—	—	—	(45)	—	—	(45)	—
<b>Total</b>	\$ 370	\$ 124	\$ 117	\$ 19	\$ 110	\$ 445	\$ 215	\$ (37)	\$ (35)	\$ 302
<b>EPS (in dollars)<sup>(3)</sup></b>										
Continuing operations - basic	\$ 3.45	\$ 1.18	\$ 1.11	\$ 0.12	\$ 1.04	\$ 4.81	\$ 2.15	\$ (0.47)	\$ 0.03	\$ 3.10
Continuing operations - diluted	\$ 3.40	\$ 1.16	\$ 1.09	\$ 0.12	\$ 1.02	\$ 4.70	\$ 2.11	\$ (0.47)	\$ 0.03	\$ 2.98
Discontinued operations - basic <sup>(2)</sup>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.47)	\$ 0.00	\$ 0.00	\$ (0.47)	\$ 0.00
Discontinued operations - diluted <sup>(2)</sup>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.46)	\$ 0.00	\$ 0.00	\$ (0.47)	\$ 0.00
<b>Market price range of Class B Subordinate Voting Shares (in Canadian dollars)</b>										
High	\$ 113.60	\$ 113.60	\$ 103.00	\$ 94.24	\$ 60.49	\$ 74.43	\$ 53.95	\$ 68.79	\$ 74.43	\$ 73.87
Low	\$ 44.29	\$ 88.90	\$ 77.50	\$ 54.04	\$ 44.29	\$ 39.87	\$ 39.87	\$ 44.44	\$ 52.60	\$ 51.40

<sup>(1)</sup> The amounts presented on a yearly basis may not correspond to the sum of the four quarters as certain reclassifications to quarterly figures to or from financing income and financing expense may be required on a cumulative basis.

<sup>(2)</sup> Discontinued operations are related to the sale of the Transportation business. The expenses recorded in discontinued operations for fiscal year 2023 principally relate to change in estimates of a provision for professional fees.

<sup>(3)</sup> The amounts presented on a yearly basis may not correspond to the sum of the four quarters as certain share repurchases and dilutive potential shares on an interim basis may not be applicable on an annual basis.

**BOMBARDIER INC.**  
**HISTORICAL FINANCIAL SUMMARY**

(in millions of U.S. dollars, except per share amounts and number of common shares)

For the fiscal years ended December 31	2024	2023	2022	2021	2020 <sup>(1)</sup>
Revenues	\$ 8,665	\$ 8,046	\$ 6,913	\$ 6,085	\$ 6,487
<b>EBIT</b>	<b>878</b>	793	538	241	912
Financing expense	677	594	817	936	1,060
Financing income	(55)	(202)	(33)	(324)	(27)
<b>EBT</b>	<b>256</b>	401	(246)	(371)	(121)
Income taxes (recovery)	(114)	(89)	(118)	(122)	49
<b>Net income (loss) from continuing operations</b>	<b>370</b>	490	(128)	(249)	(170)
Net income (loss) from discontinued operations <sup>(1)</sup>	—	(45)	(20)	5,319	(398)
<b>Net income (loss)</b>	<b>\$ 370</b>	\$ 445	\$ (148)	\$ 5,070	\$ (568)
Attributable to					
Equity holders of Bombardier Inc.	\$ 370	\$ 445	\$ (148)	\$ 5,041	\$ (868)
NCI	\$ —	\$ —	\$ —	\$ 29	\$ 300
<b>Adjusted EBIT<sup>(2)</sup></b>	<b>\$ 915</b>	\$ 799	\$ 515	\$ 222	\$ (214)
<b>Adjusted net income (loss) from continuing operations<sup>(2)</sup></b>	<b>\$ 547</b>	\$ 416	\$ 104	\$ (327)	\$ (1,118)
<b>EPS (in dollars)</b>					
Continuing operations - basic	\$ 3.45	\$ 4.81	\$ (1.67)	\$ (2.87)	\$ (1.95)
Continuing operations - diluted	\$ 3.40	\$ 4.70	\$ (1.67)	\$ (2.87)	\$ (1.95)
Discontinued operations - basic <sup>(1)</sup>	\$ 0.00	\$ (0.47)	\$ (0.21)	\$ 54.92	\$ (7.24)
Discontinued operations - diluted <sup>(1)</sup>	\$ 0.00	\$ (0.46)	\$ (0.21)	\$ 53.41	\$ (7.24)
Continuing operations - adjusted <sup>(3)</sup>	\$ 5.16	\$ 3.94	\$ 0.77	\$ (3.67)	\$ (11.79)
<b>General information</b>					
Export revenues from Canada	\$ 6,856	\$ 6,160	\$ 5,256	\$ 4,575	\$ 5,182 <sup>(4)</sup>
Net additions to PP&E and intangible assets <sup>(5)</sup>	\$ 173	\$ 366	\$ 337	\$ 232	\$ 354
Amortization	\$ 445	\$ 431	\$ 415	\$ 417	\$ 510
Impairment charges on PP&E and intangible assets	\$ 2	\$ 73	\$ 3	\$ 3	\$ 42
Dividend per common share (in Canadian dollars)					
Class A	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Class B Subordinate Voting	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Dividend per preferred share (in Canadian dollars)					
Series 2	\$ 1.69	\$ 1.74	\$ 1.03	\$ 0.61	\$ 0.72
Series 3	\$ 1.15	\$ 1.15	\$ 1.07	\$ 1.00	\$ 1.00
Series 4	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56
<b>Market price ranges (in Canadian dollars)</b>					
<b>Class A Shares</b>					
High	\$ 113.31	\$ 74.99	\$ 56.03	\$ 58.25	\$ 50.50
Low	\$ 44.50	\$ 40.44	\$ 21.46	\$ 19.00	\$ 9.50
Close	\$ 96.82	\$ 53.43	\$ 52.92	\$ 43.25	\$ 20.50
<b>Class B Subordinate Voting Shares</b>					
High	\$ 113.60	\$ 74.43	\$ 55.50	\$ 57.00	\$ 49.25
Low	\$ 44.29	\$ 39.87	\$ 18.30	\$ 11.50	\$ 6.50
Close	\$ 97.75	\$ 53.21	\$ 52.27	\$ 42.00	\$ 12.00
<b>As at December 31</b>					
Number of common shares (in millions)	99	98	94	96	97
Book value per common share (in dollars)	\$ (23.70)	\$ (28.17)	\$ (33.16)	\$ (36.09)	\$ (100.68)

<sup>(1)</sup> Transportation was classified as discontinued operations as of December 31, 2020. As a result, the results of operations have been restated for comparative period. On January 29, 2021, the Corporation closed the sale of the Transportation business to Alstom.

<sup>(2)</sup> Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(3)</sup> Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures.

<sup>(4)</sup> Includes Transportation.

<sup>(5)</sup> As per the consolidated statement of cash flows of our Consolidated financial statements.

**BOMBARDIER INC.**  
**HISTORICAL FINANCIAL SUMMARY (CONTINUED)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at December 31	2024	2023	2022	2021	2020 <sup>(1)</sup>
<b>Assets</b>					
Cash and cash equivalents	\$ 1,653	\$ 1,594	\$ 1,291	\$ 1,675	\$ 1,779
Trade and other receivables	334	258	252	269	294
Contract assets	138	84	67	55	61
Inventories	4,045	3,768	3,322	3,242	3,650
Other financial assets	30	97	472	76	227
Other assets	177	133	181	164	218
Assets held for sale	—	—	—	—	10,417
<b>Current assets</b>	<b>6,377</b>	<b>5,934</b>	<b>5,585</b>	<b>5,481</b>	<b>16,646</b>
PP&E	1,353	1,375	1,214	837	668
Aerospace program tooling	3,324	3,566	3,873	4,129	4,396
Deferred income taxes	680	455	381	250	111
Other financial assets	573	757	899	1,680	912
Other assets	361	371	372	387	357
<b>Non-current assets</b>	<b>6,291</b>	<b>6,524</b>	<b>6,739</b>	<b>7,283</b>	<b>6,444</b>
	<b>\$ 12,668</b>	<b>\$ 12,458</b>	<b>\$ 12,324</b>	<b>\$ 12,764</b>	<b>\$ 23,090</b>
<b>Liabilities</b>					
Trade and other payables	\$ 1,792	\$ 1,820	\$ 1,286	\$ 1,164	\$ 1,611
Provisions	49	78	82	101	146
Contract liabilities	2,964	3,455	3,290	2,853	2,356
Current portion of long-term debt	299	—	—	—	1,882
Other financial liabilities	204	148	345	216	239
Other liabilities	465	437	434	434	447
Liabilities directly associated with assets held for sale	—	—	—	—	10,146
<b>Current liabilities</b>	<b>5,773</b>	<b>5,938</b>	<b>5,437</b>	<b>4,768</b>	<b>16,827</b>
Provisions	98	90	152	229	289
Contract liabilities	1,347	1,209	1,444	1,156	1,219
Long-term debt	5,246	5,607	5,980	7,047	8,193
Retirement benefits	624	803	598	1,100	1,606
Other financial liabilities	881	972	1,207	1,252	1,225
Other liabilities	690	243	268	301	388
<b>Non-current liabilities</b>	<b>8,886</b>	<b>8,924</b>	<b>9,649</b>	<b>11,085</b>	<b>12,920</b>
	<b>14,659</b>	<b>14,862</b>	<b>15,086</b>	<b>15,853</b>	<b>29,747</b>
<b>Equity (deficit)</b>					
Attributable to equity holders of Bombardier Inc.	(1,991)	(2,404)	(2,762)	(3,089)	(9,325)
Attributable to NCI	—	—	—	—	2,668
	<b>(1,991)</b>	<b>(2,404)</b>	<b>(2,762)</b>	<b>(3,089)</b>	<b>(6,657)</b>
	<b>\$ 12,668</b>	<b>\$ 12,458</b>	<b>\$ 12,324</b>	<b>\$ 12,764</b>	<b>\$ 23,090</b>

<sup>(1)</sup> Transportation was classified as discontinued operations as of December 31, 2020. As a result, the results of operations have been restated for comparative period. On January 29, 2021, the Corporation closed the sale of the Transportation business to Alstom.